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Description of document:	State Department Office of Inspector General (OIG) Report for each investigation closed during CY 2020 regarding US Agency for Global Media (USAGM)
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Source of document:	FOIA Officer Office of General Counsel Office of Inspector General U.S. Department of State 1700 North Moore Street Suite 1400 Arlington, VA 22209 Fax: 703-284-1866 Email: FOIA@stateoig.gov FOIAonline

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OIG

Office of Inspector General

U.S. Department of State • Broadcasting Board of Governors

June 15, 2021

Subject: OIG Freedom of Information Act Request No. 2021-F-011 – Final Response

This responds to your Freedom of Information Act (FOIA) request to the Department of State (DOS) Office of Inspector General (OIG), dated December 14, 2020. You requested a copy of the final report, Report of Investigation, Closing Memo, Closing Letter, Referral Memo, and Referral Letter for EACH investigation closed during Calendar Year 2020 concerning USAGM (United States Agency for Global Media). You also requested a copy of the exhibits from each of those investigations. (Date Range for Record Search: From 1/1/2020 To 12/14/2020). Your request was received in this office on December 14, 2020.

In response to your request, we conducted a search of the OIG's Office of Investigations. That search identified 13 pages of records responsive to your request. We reviewed the responsive records under the FOIA to determine whether they may be disclosed to you. Based on that review, this office is providing the following:

1 page(s) are released in full;
12 page(s) are released in part;
0 page(s) are withheld in full;
59 page(s) were referred to another entity.

OIG redacted from the enclosed documents, names and identifying information of third parties to protect the identities of these individuals. Absent a Privacy Act waiver, the release of such information concerning the third parties named in these records would result in an unwarranted invasion of personal privacy in violation of the Privacy Act. Information is also protected from disclosure pursuant to Exemptions 6 and 7(c) of the FOIA further discussed below.

Exemption 6, 5 U.S.C. § 552(b)(6)

Exemption 6 allows withholding of "personnel and medical files and *similar files* the disclosure of which would constitute a clearly unwarranted invasion of personal privacy." 5 U.S.C. § 552(b)(6)(emphasis added). DOS-OIG is invoking Exemption 6 to protect the names of lower level staff, third parties, subjects and any information that could reasonably be expected to identify such individuals.

Exemption 7(C), 5 U.S.C. § 552(b)(7)(C)

Exemption 7(C) protects from public disclosure "records or information compiled for law enforcement purposes . . . [if disclosure] could reasonably be expected to cause an unwarranted invasion of personal privacy." 5 U.S.C. § 552(b)(7)(C). DOS-OIG is invoking Exemption 7(C) to protect the names of lower level investigative staff, third parties, subjects and any information contained in these investigative records that could reasonably be expected to identify those individuals.

Referral

Further, 59 pages were referred to the U.S. Agency for Global Media (USAGM) FOIA Office. USAGM-FOIA will process the records under the FOIA and respond to you directly. Should you wish to contact USAGM-FOIA you may write to: foia@usagm.gov; or you may call (202) 920-2342.

Appeal

You have the right to appeal this response.¹ Your appeal must be received within 90 calendar days of the date of this letter. Please address any appeal to:

Appeals Officer
Appeals Review Panel
Office of Information Programs and Services
U.S. Department of State
State Annex 2 (SA-2)
515 22nd Street, NW
Washington, DC 20522-8100
Facsimile: 202-261-8571

Both the envelope and letter of appeal should be clearly marked, "Freedom of Information Act/Privacy Act Appeal." Your appeal letter should also clearly identify the DOS-OIG's response.

¹ For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA, 5 U.S.C. 552(c) (2006 & Supp. IV 2010). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist.

Additional information on submitting an appeal is set forth in the DOS regulations at 22 C.F.R. § 171.13.

Assistance and Dispute Resolution Services

For further assistance and to discuss any aspect of your request you may contact DOS-OIG's FOIA Public Liaison at:

FOIA Officer
Office of General Counsel
Office of Inspector General
U.S. Department of State
1700 North Moore Street
Suite 1400
Arlington, VA 22209
foia@stateoig.gov

Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows: Office of Government Information Services, National Archives and Records Administration, 8601 Adelphi Road-OGIS, College Park, Maryland 20740-6001, e-mail at ogis@nara.gov; telephone at 202-741-5770; toll free at 1-877-684-6448; or facsimile at 202-741-5769.

Sincerely,

/s/ Eleanor Nagy

Eleanor J. Nagy
Government Information Specialist

Enclosure(s)

**REPORT OF INVESTIGATION
BFS-13-2011-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: M&B Multiservices (Jose Boyzo)
(Private Citizen)

Case #: BFS-13-2011-I

Investigation Initiated: October 24, 2013

Case Type: Criminal X
Administrative
Civil

Investigation Completed: OCT 05 2016

Conducted by: [REDACTED]
Special Agent

Origin: Internal Revenue Service, Criminal
Investigations

Approved by: Jerry S. Marshall
DAIG

Summary

In July 2013, the Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG) was contacted by the Internal Revenue Service, Criminal Investigations (IRS-CI) and requested assistance with the investigation of M&B Multiservices and Jose Boyzo. M&B Multiservices, which is owned by Boyzo, is located in Corrado's Pizza, also owned by Boyzo, within the Myrtle Beach Mall. Investigation revealed that over 200 U.S. Treasury checks were cashed at M&B Multiservices, with nearly all of them addressed to addresses outside of South Carolina. (Exhibit 1)

The investigation determined that the allegations were substantiated. In April 2015, Jose Boyzo, owner of M&B Multiservices was indicted for violation of 18 USC § 641 Theft of Government Money. Boyzo pleaded guilty and was sentenced to 18 months' incarceration, 3 years' probation, and \$1.6 million in restitution.

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Basis and Scope of the Investigation

In July 2013, TOIG was contacted by IRS-CI and requested assistance with the investigation of M&B Multiservices and Jose Boyzo. M&B Multiservices, owned by Boyzo, is located in Corrado's Pizza, also owned by Boyzo, within the Myrtle Beach Mall. IRS-CI indicated that over 200 U.S. Treasury (Treasury) checks were cashed at M&B Multiservices, with nearly all of them addressed to addresses outside of the state of South Carolina.

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

- Jose Boyzo, owner, M&B Multiservices
- [REDACTED] co-owner, M&B Multiservices
- [REDACTED] Vice President, Anderson Brothers Bank
- [REDACTED], Bank Teller, People's Community Bank
- [REDACTED], Personal Banker, People's Community Bank
- [REDACTED]
- [REDACTED], Banking Manager, People's Community Bank
- [REDACTED], Director of Risk Management, People's Community Bank
- [REDACTED] Witness

In addition, TOIG reviewed pertinent documents, including:

- M&B Multiservices LLC business records
- First Bank subpoena return records
- First Community Bank subpoena return records
- Citizens Bank of South Carolina subpoena return records
- TD Bank subpoena return records
- BB&T subpoena return records
- Horry County State Bank subpoena return records
- Anderson Brothers Bank subpoena return records

Investigative Activity

This case is cross-referenced to Jomayra Tax Services (BFS-13-0244-I), which involved over 80,000 false claims for various state and federal tax refund checks where over \$480,000,000 in refunds were requested. Jomayra Tax Services was a Stolen Identity Refund Fraud (SIRF) scheme involving the use of Puerto Rican Social Security numbers (SSNs) to make the 80,000 false claims for federal and state tax refunds. While refunds were being sent across the country, every return in question was transmitted through a tax preparation software company located within the Western District of North Carolina.

All of the fraudulently obtained checks issued to North Carolina addresses were analyzed to determine where they were cashed. The review determined that at least 51 separate checks mailed to addresses across the state of North Carolina were cashed at a single check-cashing business in Myrtle Beach, South Carolina, M&B Multiservices of Myrtle Beach, LLC. Investigation revealed that approximately 200 Treasury checks, totaling over \$1,000,000, were deposited at various banks by M&B between August and December 2012.

The address listed on bank accounts opened at Anderson Brother's Bank and People's Community Bank, which was identified as 10177 N Kings Hwy Unit 65, Myrtle Beach, SC 29572, for M&B Multiservices of Myrtle Beach, LLC matched the address used by Corrado's Pizza, a business owned jointly by Jose E. Boyzo and [REDACTED]. Both of these businesses were located in the Myrtle Beach Mall. Investigation determined that Corrado's Pizza provided check cashing services as a registered money service business (MSB).

In an interview with IRS-CI at Alamance County Jail (NC), [REDACTED] said that he cashed fraudulent Treasury checks with Boyzo, and Boyzo charged him 15 to 20 percent to cash the checks. [REDACTED] brought Boyzo 40 or 50 checks at a time, totaling between \$250,000 to \$500,000. Boyzo instructed [REDACTED] to bring the checks to Boyzo's house to be cashed, not the pizza store. [REDACTED] estimated that he cashed \$4 million to \$4.5 million worth of fraudulent Treasury checks with Boyzo. [REDACTED] said that during one of the most recent meetings with Boyzo, Boyzo acknowledged that the checks were fraudulent. In addition, Boyzo told [REDACTED] that it was obvious that the IDs [REDACTED] gave him with the checks were fake. Boyzo told [REDACTED] "If you are going to cash these kinds of checks, you need to do it the right way." [REDACTED] was being held on unrelated check fraud charges at the time of the interview. (Exhibit 2)

TOIG and IRS-CI travelled to Myrtle Beach, SC to serve a target letter on Boyzo from the United States Attorney's Office, Western District of North Carolina (USAO-WDNC). (Exhibit 3)

In an interview with TOIG and IRS-CI, Boyzo said he cashed Treasury checks at his pizza shop, Corrado's Pizza, which is also the location for his licensed MSB, M&B Services of Myrtle Beach, LLC (M&B Services), and at his residence. Boyzo began cashing Treasury checks in 2010 for five

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Hispanic individuals primarily, but he was unable to provide their last names. Boyzo recalled that the checks were mostly addressed to out-of-state P.O. boxes and were already endorsed when he received them. Boyzo wrote the Individual Taxpayer Identification Number (ITIN) of the individuals and dependents on the backs of the checks before he deposited the checks as a method of documentation. The amount of checks that Boyzo cashed at any one time could have been as high as 40 to 50, and totaled between \$250,000 and \$500,000, although he claimed to have never counted the amounts. Boyzo disputed that he charged the 15 to 20 percent that [REDACTED] claimed, and said he never charged more than 6 percent. Boyzo keeps records for all of the checks he has cashed at his residence for a period of five years as M&B Services business records. (Exhibit 4)

Boyzo consented to a search of his residence by TOIG and IRS-CI and signed a written consent form. During the course of the search, agents discovered numerous boxes of documents to include copies of U.S. Treasury checks that had similar characteristics to other fraudulent Treasury checks cashed by Boyzo in the past. TOIG and IRS-CI also discovered copies of identification documents that Boyzo claimed were used as identification documents to cash the Treasury checks. (Exhibit 5)

In an interview with TOIG and IRS-CI, [REDACTED] an employee of Corrado's Pizza, said he was an employee of Boyzo's and not an owner of any of the businesses. [REDACTED] only cashed checks for customers who provided a photo ID. [REDACTED] never cashed a check provided by someone other than who was named on the check. [REDACTED] referred check cashing customers to Boyzo when the person only provided a copy of their photo ID when attempting to cash a check, and when a person said they had multiple Treasury checks to cash. Boyzo never told [REDACTED] anything about cashing a lot of Treasury checks for certain people. (Exhibit 6)

In an interview with TOIG and IRS-CI, [REDACTED], Vice President, Anderson Brother's Bank (ABB), said that Jose Boyzo used to be a customer of the bank with Boyzo's money service business, M&B Multiservices, LLC. Boyzo used to make a couple of deposits a week with large amounts of Treasury checks totaling \$40,000 - \$50,000 in each deposit. [REDACTED] recalled that the Treasury checks all seemed to have the same characteristics: Hispanic names, out of state addresses, and multiple checks with the same address but different payees. Around January 2015, ABB shut down Boyzo's account because ABB was uncomfortable with the Treasury check activity. [REDACTED] told Boyzo that ABB was shutting his account down because they couldn't accept the Treasury checks Boyzo was bringing in for deposit. (Exhibit 7)

In interviews with TOIG and IRS-CI, several People's Community Bank (PCB) employees said Boyzo used to be a customer of the Bank until his accounts were closed because of suspicious activity. [REDACTED] recalled a suspicious batch of 16 Treasury checks that Boyzo deposited that included multiple Treasury checks issued to the same person for different tax years, and multiple checks issued to different people but all living on the same street or in the same apartment

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checks issued to different people but all living on the same street or in the same apartment complex. [REDACTED] also noted that the checks were suspicious because all but two of the checks had New York addresses. When comparing Boyzo's banking activity to that of other merchant service business clients that PCB had, [REDACTED] identified unusual activity by Boyzo in the areas of the volume of Treasury checks, the number of "high dollar" checks, the types of addresses, and multiple checks at one time going to the same individual or individuals on the same street. (Exhibit 8)

Referrals

On October 1, 2014, TOIG and IRS-CI received notice from [REDACTED], Assistant United States Attorney (AUSA), United States Attorney's Office (USAO), Western District of North Carolina (WDNC), Charlotte Office, that the case on Boyzo was declined in the Western District of North Carolina in lieu of prosecution in the District of South Carolina. (Exhibit 9)

On October 1, 2014, TOIG and IRS-CI received notice from AUSA [REDACTED], USAO-WDNC, that the case on [REDACTED] was declined in the Western District of North Carolina due to insufficient evidence. (Exhibit 10)

On October 1, 2014, TOIG and IRS-CI presented the case against Boyzo to the USAO, District of South Carolina, for prosecutorial merit related to theft of government money. The USAO accepted the case and assigned AUSA [REDACTED] to the case. (Exhibit 11)

Judicial Action

On April 15, 2015, Boyzo was indicted by a federal grand jury in the District of South Carolina on one count of 18 USC § 641 Theft of Government Money. (Exhibit 12)

On August 13, 2015, Boyzo pleaded guilty to one count of 18 USC § 641 Theft of Government Money, with a loss amount of \$1.6 million, in U.S. District Court, District of South Carolina. (Exhibit 13)

On February 17, 2016, Boyzo was sentenced to 18 months' incarceration, 3 years' probation, and \$1.6 million in restitution for violation of 18 USC § 641 Theft of Government Money, in United States District Court, District of South Carolina, Charleston, SC. (Exhibit 14)

Findings

The investigation determined that the allegations were substantiated. Jose Boyzo, owner of M&B Multiservices, knowingly cashed large amounts of fraudulent U.S Treasury checks, for primarily five different individuals at his registered MSB. Boyzo pleaded guilty to 18 USC § 641 Theft of Government Money and was sentenced to federal prison.

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Report of Investigation
Case Name: M&B Multiservices (Jose Boyzo)
Case # BFS-13-2011-I
Page 6 of 8

Distribution

N/A

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Signatures

Case Agent:

24 Aug 2016

Date

Supervisor:

24 AUG 2016

Date

Jerry S. Marshall

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Exhibits

1. Lead Initiation, dated July 26, 2013.
2. Memorandum of Activity, Records/Information obtained, IRS-CI MOI [REDACTED] [REDACTED] dated August 11, 2014.
3. Memorandum of Activity, Target Letter served on Jose Boyzo, dated April 8, 2014.
4. Memorandum of Activity, Interview of Jose Boyzo, dated April 2, 2014.
5. Memorandum of Activity, Consent search of Boyzo Residence, dated April 2, 2014.
6. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated April 3, 2014.
7. Memorandum of Activity, Interview of [REDACTED], Anderson Brothers Bank, dated April 8, 2014.
8. Memorandum of Activity, Interview of People's Community Bank employees, dated April 8, 2014.
9. Memorandum of Activity, Case Presented for Prosecution – Declined (Boyzo), dated April 27, 2015.
10. Memorandum of Activity, Case Presented for Prosecution – Declined ([REDACTED]) dated April 27, 2015.
11. Memorandum of Activity, Case Presented for Prosecution – Accepted (Boyzo), dated April 27, 2015.
12. Memorandum of Activity, Judicial – Indictment, dated May 5, 2015.
13. Memorandum of Activity, Judicial – Deferred Prosecution Plea, dated September 8, 2015.
14. Memorandum of Activity, Judicial – Sentencing Jose Boyzo, dated February 22, 2016.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

APR 13 2015

OFFICE OF
INSPECTOR GENERAL

MEMORANDUM FOR RICHARD A. CESTERO
SUPERVISORY CRIMINAL INVESTIGATOR AND
MANAGER, PRODUCT INVESTIGATIONS BRANCH
SECURITY AND INVESTIGATIONS DIVISION
BUREAU OF ENGRAVING AND PRINTING

FROM: Jerry Marshall [REDACTED]
Special Agent in Charge

SUBJECT: Specimen Notes

OIG Case Number: BEP-14-1286-I

An investigation was initiated by TOIG after receiving information from the U.S. Bureau of Engraving and Printing (BEP). The BEP reported that a Series 1996 \$100 Specimen Note was posted for sale on the [REDACTED] website.

According to the BEP, Specimen Notes of Series 1996 and later are only issued to authorized individuals, not considered for public release, and should be returned or destroyed at completion of official use. TOIG investigative research discovered [REDACTED] had also sold a Series 1996 \$50 Specimen Note in 2005. TOIG subsequently issued an Inspector General subpoena to [REDACTED] located in Dallas, TX, for invoice and sales records relating to the Series 1996 \$50 and \$100 Specimen Notes.

TOIG review of invoice and sales records produced by [REDACTED] showed the 1996 \$50 Specimen Note was sold for approximately \$2,300 to [REDACTED], [REDACTED] Currency, at [REDACTED]. The 1996 \$100 Specimen Note was sold for approximately \$5,000 to [REDACTED] on at [REDACTED].

According to the TOIG Office of Counsel, recovery of the Specimen Notes from the respective buyers should be conducted by the BEP. Should the demand be refused, TOIG may then assist with recovery of the Specimen Notes. As a result, TOIG determined that the allegations do no merit additional investigative resources, and the matter is being closed accordingly.

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



OFFICE OF
INSPECTOR GENERAL

MEMORANDUM FOR RICHARD A. GREGG
SUPERVISOR OF FINANCIAL INSTITUTIONS AND
MANAGER, FEDERAL RESERVE BANK OF
SECURITY AND INVESTIGATION DIVISION
BUREAU OF INSURANCE AND TRADING

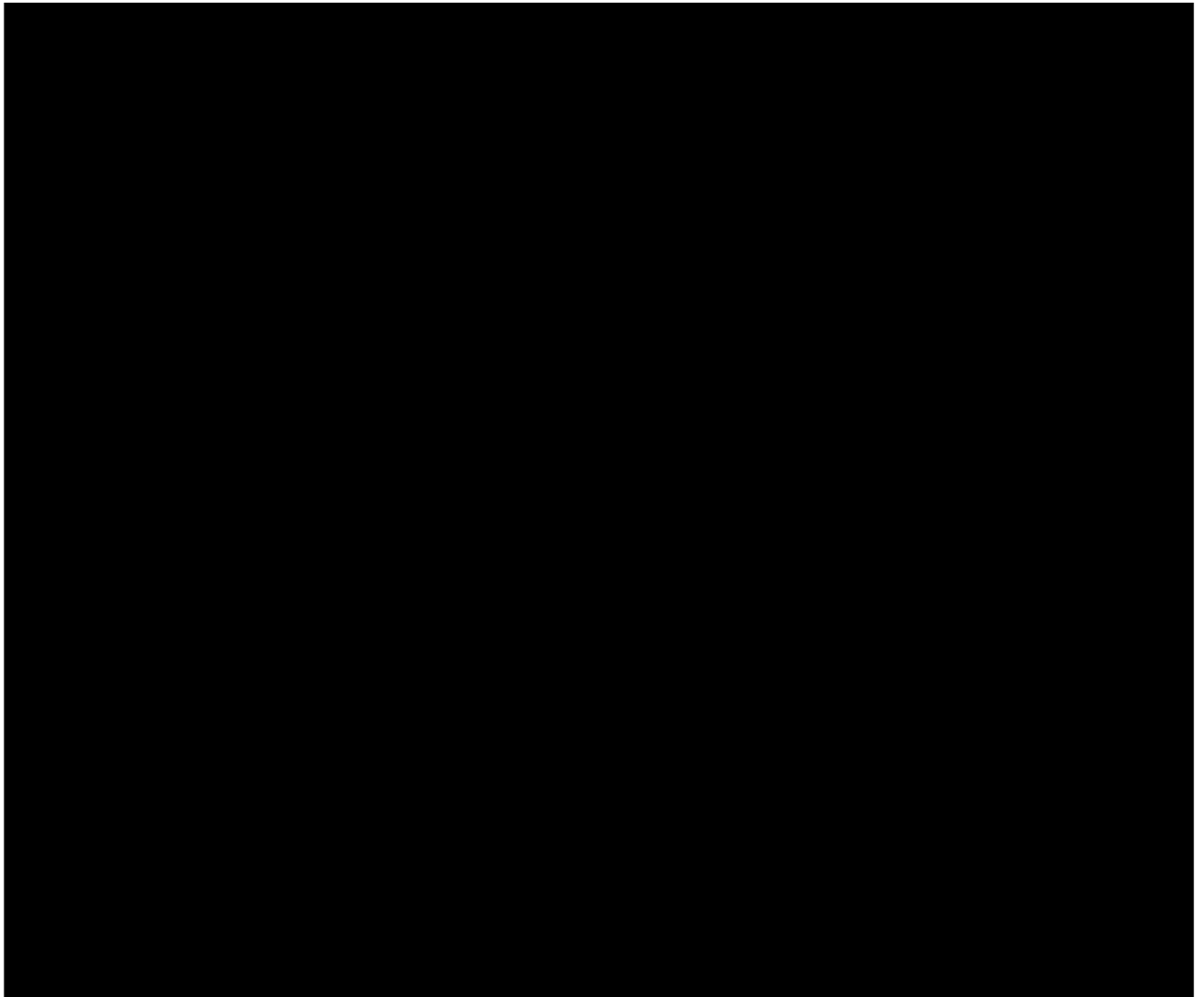
Special Agent in Charge
New York

FROM:

Specimen Notes

SUBJECT:

Old Case Number 88F-14-1564





DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

MEMORANDUM FOR THE OFFICE OF INVESTIGATIONS

FROM: Jerry Marshall [REDACTED]
Special Agent in Charge

SUBJECT: Specimen Notes

OIG Case Number: BEP-14-1286-I

An investigation was initiated by TOIG after receiving information from the U.S. Bureau of Engraving and Printing (BEP). The BEP reported that a Series 1996 \$100 Specimen Note was posted for sale on the [REDACTED] website.

According to the BEP, Specimen Notes of Series 1996 and later are only issued to authorized individuals, not considered for public release, and should be returned or destroyed at completion of official use. TOIG investigative research discovered [REDACTED] had also sold a Series 1996 \$50 Specimen Note in 2005. TOIG subsequently issued an Inspector General subpoena to [REDACTED] located in Dallas, TX, for invoice and sales records relating to the Series 1996 \$50 and \$100 Specimen Notes.

TOIG review of invoice and sales records produced by [REDACTED] showed the 1996 \$50 Specimen Note was sold for approximately \$2,300 to [REDACTED], [REDACTED] Currency, at [REDACTED]. The 1996 \$100 Specimen Note was sold for approximately \$5,000 to [REDACTED] at [REDACTED].

According to the TOIG Office of Counsel, recovery of the Specimen Notes from the respective buyers should be conducted by the BEP. Should the demand be refused, TOIG may then assist with recovery of the Specimen Notes. As a result, TOIG determined that the allegations do no merit additional investigative resources, and the matter is being closed accordingly.

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

**REPORT OF INVESTIGATION
DO-14-0770-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 Treasury employee
Carpenter/Locksmith
Departmental Offices

Case #: DO-14-0770-I

Case Type: Criminal ☒
Administrative ☐
Civil ☐

Investigation Initiated: March 11, 2014

Conducted by: [REDACTED]
Special Agent

Investigation Completed: MAY 05 2016

Approved by: Jerry S. Marshall
DAIGI

Origin: Office of Personnel Management
Office of Inspector General

Summary

On March 11, 2014, the U.S. Office of Personnel Management, Office of Inspector General (OPM-OIG) contacted the U.S. Department of Treasury, Office of Inspector General (TOIG) and stated that the OPM-OIG was contacted by a Blue Cross Blue Shield (BCBS) investigator regarding a Treasury employee - [REDACTED] [REDACTED] [REDACTED] was a carpenter and locksmith for Treasury from 2010 to May 2014, when he transferred to the U.S. Department of Army. The BCBS investigator provided a report that reflected from May 2010 to October 2013, [REDACTED] utilized 82 providers and obtained 303 prescriptions (155 controlled substances). TOIG and OPM-OIG also found additional medications obtained from the U.S. Department of Veteran Affairs (VA) and medications purchased directly by [REDACTED]. In total, TOIG and OPM-OIG found that from May 2010 to November 2014, [REDACTED] utilized over 130 providers and obtained 479 prescriptions, of which 185 were for controlled substances.

[REDACTED] entered treatment for narcotic dependency in 2014 and there have been no known prescribed narcotics to him since this date. The United States Attorney's Office (USAO) in Washington, DC initially accepted this case for prosecution, but later declined prosecution because of the lack of recent drug activity and the aforementioned treatment.

Report of Investigation

Case Name: [REDACTED]

Case # DO-14-0770-I

Page 2 of 6

Basis and Scope of the Investigation

In March 2014, TOIG was notified by OPM-OIG that over a three year period, a Treasury employee was prescribed a large amount of controlled narcotics being paid through BCBS which is contracted through OPM's Federal Employee Health Benefits Program. (Exhibit 1)

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

- [REDACTED] Carpentry Shop Foreman, Treasury
- [REDACTED], Carpenter, Treasury
- [REDACTED], Visual Information Specialist, Treasury
- [REDACTED], Real Estate and Facilities Management, Treasury
- Medical providers (names and information not included in this report)

In addition, TOIG reviewed pertinent documents, including:

- [REDACTED] Medical Summary from Blue Cross Blue Shield
- [REDACTED] medical records from six physicians
- [REDACTED] Treasury personnel security file

Investigative Activity

On March 11, 2014, OPM-OIG Assistant Special Agent in Charge [REDACTED] contacted TOIG and stated that his office was contacted by a Blue Cross Blue Shield (BCBS) investigator regarding a Treasury employee - [REDACTED] [REDACTED] [REDACTED] was a carpenter and locksmith for Treasury from 2010 to May 2014, when he transferred to the U.S. Department of Army. The BCBS investigator provided a report which reflected that from May 2010 to October 2013, [REDACTED] utilized 82 providers and obtained 303 prescriptions (155 controlled substances.) Additional BCBS records as well as non BCBS (paid out of pocket) prescription records and VA records found that from May 2010 to November 2014, [REDACTED] utilized over 130 providers and obtained 479 prescriptions, of which 185 were for controlled substances. (Exhibit 1)

TOIG and OPM OIG interviewed, and obtained the medical records for six medical providers. During this review, it was found that [REDACTED] often saw more than one medical provider within days of another and was prescribed medications from both. [REDACTED] visited offices, hospitals and clinics throughout Maryland, Virginia and Washington, DC. The physicians stated that he complained of headaches from a traumatic brain injury he suffered while in the U.S. Navy, kidney stones, abdominal pain, back pain, loin pain, neck pain, knee pain, high blood pressure and Attention Deficit Disorder. They prescribed him various medications for pain such as Oxycodone, Tramadol and Percocet. They also prescribed him Ritalin for his Attention Deficit

Disorder. The providers were unaware that [REDACTED] was being treated by other physicians until they were notified by BCBS in the Fall of 2014.

In an interview with TOIG, [REDACTED] stated that he was [REDACTED] supervisor. [REDACTED] believes that [REDACTED] has a drug and alcohol dependency. [REDACTED] said that when [REDACTED] first moved to the area, he resided with different colleagues. One colleague was [REDACTED]. [REDACTED] and [REDACTED] shared a duplex in Carroll County, MD for approximately one year in 2012, and [REDACTED] would speak of [REDACTED] drinking heavily. [REDACTED] stayed with [REDACTED] for two weeks in 2012, while [REDACTED] was taking a locksmith course, because the commute to training from [REDACTED] home in VA was better than [REDACTED] commute from MD. [REDACTED] recalled that [REDACTED] would regularly consume a six pack of beer in the evening. [REDACTED] wife, a nurse, also believed [REDACTED] behavior was typical of a drug user. Specifically, [REDACTED] would come to work, or to [REDACTED] home, and his pupils would be dilated (enlarged) and he would talk incessantly and pace the floors. He also had mood swings. Some days he would be talkative and jovial, while other days he would be quiet. [REDACTED] also saw him moving pill bottles around in his backpack and taking medications occasionally. On one occasion, [REDACTED], a painter, who was in their office complaining of back pain, was offered pills by [REDACTED]. [REDACTED] informed him "I have everything." [REDACTED] declined the offer. On another occasion, when [REDACTED] was staying with [REDACTED] in 2012 during his two week locksmith training, [REDACTED] was talking with [REDACTED] son, [REDACTED] (age 22), who was in a leg cast after an accident. [REDACTED] asked him if he had any Percocet because he ([REDACTED] left his at home. [REDACTED] declined to give him any medications. (Exhibit 2)

In an interview with TOIG, [REDACTED] stated that he believes that [REDACTED] has a drug dependency. [REDACTED] believes from conversations and pictures that [REDACTED] was a former weightlifter, and speaks informatively about steroids. He also takes various medications often for his many ailments, and is often seeing different physicians. [REDACTED] added that [REDACTED]'s girlfriend was staying at their house and had pain relievers from a recent knee surgery. The medications went missing. [REDACTED] asked [REDACTED] and [REDACTED] stated that he was also missing medications and that the neighbors must have stolen them. [REDACTED] stated that [REDACTED] also has mood swings. Some days he would be talkative and jovial, while other days he would be quiet and not speak at all. (Exhibit 3)

In an interview with TOIG, [REDACTED] stated that he and [REDACTED] were colleagues and [REDACTED] rented a room at his house for a period of time. [REDACTED] stated that although [REDACTED] complained of illnesses, he never saw [REDACTED] take any medications, but [REDACTED] was aware of medications being sent to the residence. He recalled that when [REDACTED] was staying at the other location several days per week, [REDACTED] would inform him that he ([REDACTED] was receiving a package of medications and would ask [REDACTED] to take it into the house. The packages would be in boxes or padded envelopes, and too large for his mail slot. (Exhibit 4)

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Case Name: [REDACTED]

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In an interview with TOIG, [REDACTED] stated that [REDACTED] lived with her while recuperating from hip surgery. [REDACTED] stated that [REDACTED] has informed her of many ailments to include high blood pressure, kidney stones, and various surgeries. He also stated that he suffered a traumatic brain injury (TBI) and post-traumatic stress disorder while serving in the U.S. Navy. [REDACTED] informed her that he was a U.S. Navy SEAL sniper and received the TBI when an explosion threw him off of a building. She was not certain where he was stationed with the U.S. Navy because he told her it was classified. [REDACTED] also told her that he has been hit by a vehicle as a pedestrian twice, once in OR and once in Spring 2013, while crossing the street near Treasury. [REDACTED] indicated that [REDACTED] filed a workers' compensation claim, and recently filed another claim when a rolling cart moved and pinned his leg in the carpenter's shop at Treasury. [REDACTED] does not believe [REDACTED] took any time off work for these claims except to see physicians.

[REDACTED] stated that [REDACTED] came to her in April or May 2014 and informed her that he believed he had a dependency on "prescription pain killers." [REDACTED] did not know why [REDACTED] came to her at this time, but noted that it was after he accepted a position with the U.S. Department of Army. (Exhibit 5)

In an interview with TOIG and OPM-OIG, [REDACTED] admitted to a significant use of narcotics. He described several illnesses requiring medication, and stated that he had a high tolerance for medications and required more narcotics for pain than most people. [REDACTED] stated that he recently saw a physician for his narcotic drug use and is on the medication Subaxone to reduce his use of narcotics. [REDACTED] stated that he used all of the medication he was prescribed and never gave or sold the medications to others. [REDACTED] also stated that he was injured as a U.S. Navy SEAL. (Exhibit 6)

[Agent's Note: TOIG found through U.S. Navy records that [REDACTED] was a Mess Cook and never trained or served as a SEAL.)

Referrals

On April 1, 2014, TOIG presented a case involving violations of Title 21 USC § 843 Prohibited Acts involving Controlled Substances and 18 USC § 1001 False Statements to [REDACTED], Attorney, U.S. Department of Justice (DOJ), Public Integrity Section (PIS). [REDACTED] declined the case citing lack of investigative merit. (Exhibit 7)

On April 3, 2014, TOIG presented a case involving violations of Title 21 USC § 843 Prohibited Acts involving Controlled Substances and 18 USC § 1001 False Statements to [REDACTED], Assistant United States Attorney, USAO, Criminal Division, Washington, DC. [REDACTED] accepted the case on April 21, 2014.

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[REDACTED] declined prosecution on March 21, 2016, because [REDACTED] has since entered a drug treatment program and has not been prescribed narcotics in several months, and due to statute of limitations concerning earlier fraudulent narcotic purchases. (Exhibit 8)

Judicial Action

NA

Findings

On March 11, 2014, the OPM-OIG contacted TOIG, and stated that the OPM-OIG was contacted by a BCBS investigator regarding [REDACTED]. The BCBS investigator provided a report that reflected from May 2010 to October 2013, [REDACTED] utilized 82 providers and obtained 303 prescriptions (155 controlled substances.) TOIG and OPM-OIG also found additional medications obtained from the VA and medications purchased directly by [REDACTED]. In total, TOIG and OPM-OIG found that from May 2010 to November 2014, [REDACTED] utilized over 130 providers and obtained 479 prescriptions, of which 185 were for controlled substances.

[REDACTED] entered treatment for narcotic dependency in 2014, and there are no known prescribed narcotics to him since this date. The USAO in Washington, DC initially accepted this case, but later declined prosecution because of the lack of recent drug activity and the aforementioned treatment.

Distribution

Mike Lewis, Senior Advisor, DO

Signatures

Case Agent:

[REDACTED]
[REDACTED]

4-29-16

Date

Supervisor:

[REDACTED]
Jerry S. Marshall

5 May 2016

Date

Exhibits

1. Complaint sent by OPM-OIG dated March 11, 2014.
2. Memorandum of Activity, Interview of [REDACTED] [REDACTED] Carpentry Shop Foreman, Treasury, dated May 21, 2014.
3. Memorandum of Activity, Interview of [REDACTED], Carpenter, Treasury, dated June 3, 2014.
4. Memorandum of Activity, Interview of [REDACTED], Visual Information Specialist, dated July 31, 2014.
5. Memorandum of Activity, Interview of [REDACTED], Treasury, dated July 25, 2014.
6. Memorandum of Activity, Interview of [REDACTED] [REDACTED] Carpenter and Locksmith, dated July 24, 2014.
7. Memorandum of Activity, Declination by U.S. Department of Justice Public Integrity Section, dated April 1, 2014.
8. Memorandum of Activity, Declination by USAO, District of Columbia, dated March 21, 2016.

**REPORT OF INVESTIGATION
DO-16-0654-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 Treasury employee
Departmental Offices

Case #: DO-16-0654-I
Case Type: Criminal
Administrative X
Civil

Investigation Initiated: April 4, 2016

Conducted by: [REDACTED]
Special Agent

Investigation Completed: AUG 15 2016

Approved by: Jerry S. Marshall
DAIGI

Origin: Treasury Office of Inspector General

Summary

In April 2016, the U.S. Department of the Treasury, Office of Inspector General (TOIG) initiated an investigation regarding possible workers' compensation fraud by [REDACTED] former Safety Specialist, U.S. Department of the Treasury, after receiving an anonymous complaint. The complaint did not state how fraud was being committed except that [REDACTED] knew the workers' compensation program because of her former work at Treasury. Specifically, TOIG investigated whether [REDACTED] submitted false documentation to the U.S. Department of Labor, Office of Workers' Compensation Program (DOL-OWCP) to obtain or keep her workers' compensation benefits, and whether she had any outside employments or activities. [REDACTED] was allegedly injured at Treasury in 2014, when she fell and hurt her leg. She has been on workers' compensation since 2014, and receiving over \$6,000 per month. These funds are paid by the DOL-OWCP, but charged to Treasury annually.

The investigation determined that the allegation was unsubstantiated. TOIG has found no employment or self-employment while [REDACTED] has been on workers' compensation, and has found no false statements on any DOL-OWCP documents. [REDACTED] has had knee surgery and is awaiting another surgery. One witness saw an activity not consistent with [REDACTED]'s claimed knee injury. However, TOIG has no knowledge of prolonged activities inconsistent with [REDACTED]'s injuries.

Basis and Scope of the Investigation

In February 2016, TOIG initiated an investigation of [REDACTED] after receiving an anonymous complaint regarding [REDACTED] and alleged workers' compensation fraud. (Exhibit 1)

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

- [REDACTED], workers' compensation claimant
- [REDACTED] Human Resources Specialist, Treasury
- [REDACTED], Human Resources Specialist, Treasury

In addition, TOIG reviewed pertinent documents, including:

- U.S. Department of Labor's workers' compensation records
- U.S. Department of the Treasury workers' compensation records

Investigative Activity

In a review of records, TOIG obtained and examined a summary of [REDACTED]'s workers' compensation file on the DOL-OWCP's Agency Query System records on [REDACTED] as well as records at Treasury. [REDACTED] is a former Treasury employee who has been on workers' compensation since April 2014.

The record reflected that [REDACTED] was injured on June 4, 2013, while stepping off an elevator at the U.S. Department of the Treasury. She filed a recurrence on November 17, 2013, for continued pain. She filed another recurrence on April 21, 2014, when hit by a security gate. [REDACTED] was accepted on DOL's Office of Workers' Compensation periodic rolls on June 14, 2014. Her injuries were listed as "tear of medial meniscus of knee and localized primary osteoarthritis lower leg." Records reflected that a letter was sent to [REDACTED] on November 3, 2014, removing her from service due to her "medical inability to perform your duties." The record reflected that [REDACTED] is currently receiving \$6,208.67 on the periodic rolls every 28 days. She has received \$128,000 in workers' compensation payments.

A DOL Form 1032 requests the claimant to list all employment, self-employment and benefits from the last 15 months. [REDACTED] completed her form on January 12, 2016, and listed her only employer as Treasury, with an ending date of November 7, 2014. (Exhibit 2)

In an interview with TOIG, [REDACTED] stated that [REDACTED] was allegedly injured on June 4, 2013, while stepping off an elevator at Treasury and twisting her left knee. She received no workers' compensation or continuation of pay time after this incident. She continued to work, but took some sick leave. She filed a recurrence on November 17, 2013, for continued pain. After filing the recurrence, she began using workers' compensation leave on her time cards for several

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days even though she was not approved to take workers' compensation leave. During that time period, [REDACTED], [REDACTED], and [REDACTED]'s supervisor [REDACTED] exchanged several e-mails regarding [REDACTED]'s leave. [REDACTED] was eventually approved 45 days of Continuation of Pay time, and also took 110 hours from the Voluntary Leave Transfer Program.)

[REDACTED] advised that on April 21, 2014, [REDACTED] was hit in the knee by a security gate while exiting Treasury. [REDACTED] was accepted on DOL-OWCP's periodic rolls on June 14, 2014, even though [REDACTED] controverted the claim. Her injuries were listed as "tear of medial meniscus of knee and localized primary osteoarthritis lower leg." [REDACTED] was removed from service on November 3, 2014, because she could not perform her duties. [REDACTED] stated that it is common procedure to remove an employee from service if he/she could not perform their duties so the agency can eventually hire someone to fill the position. [REDACTED] recalled that [REDACTED] was offered light duty and/or telework abilities, but she denied both because she cited the medicine made her sleepy and light headed. [REDACTED] stated that she believes [REDACTED] has filed a lawsuit against Treasury regarding her removal, but [REDACTED] had no further information regarding the matter. [REDACTED] recalled that [REDACTED] and [REDACTED] had personality conflicts, but [REDACTED] did not know the reason. [REDACTED] stated that [REDACTED] has left Treasury. [REDACTED] stated that after [REDACTED]'s claim was accepted in 2014, she now sends all documents to the DOL-OWCP. [REDACTED] has not spoken to, or received any correspondence, directly from [REDACTED] since 2014. Treasury has requested a second opinion, but [REDACTED] was not certain if it had been performed because DOL-OWCP is slow to respond to Treasury's requests for information.

[REDACTED] had no knowledge of [REDACTED] working while on workers' compensation, but was told by [REDACTED] that she saw [REDACTED] at a wedding reception in 2014 dancing. [REDACTED] questioned [REDACTED]'s ability to dance since she had previously been seen at Treasury with a cane, but did not confront [REDACTED]. (Exhibit 3)

In an interview with TOIG, [REDACTED] stated that she ([REDACTED] has been employed with Treasury since 1990. She has always been a Human Resources Specialist, but workers' compensation was added to her role in 2007. [REDACTED] stated that [REDACTED] fell at Treasury in April 2014. [REDACTED] stated that she has known [REDACTED] through their families and church for years so [REDACTED] recused herself from [REDACTED]'s case. [REDACTED] was unaware of [REDACTED] performing any work activities, but stated that she saw [REDACTED] at a family party (not a wedding, as understood by [REDACTED] in the summer of 2014 shortly after her claim was accepted, performing line dancing and carrying food in and out of the kitchen without crutches, a cane or leg brace. [REDACTED] questioned her ability to dance and walk with ease and informed [REDACTED] but did not inform DOL. (Exhibit 4)

In an interview with TOIG, [REDACTED] stated that she was employed with the U.S. Navy from 2001 to 2009. She was employed with Treasury from 2009 to 2014. Her last supervisor was [REDACTED]. Her highest grade was GS-14. [REDACTED] stated that she was injured on June 4, 2013, when she fell exiting an elevator. Specifically, she injured her left knee and leg. Following the

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incident, she took several days of Continuation of Pay while not working. She returned within 45 days. On January 23, 2014, she filed for a recurrence because she was still experiencing leg and knee pain. On April 21, 2014, she was injured again when the Treasury exit door gate hit her in the knee. Following that incident, she had surgery to repair her left meniscus. She has been on workers' compensation since that date. Her orthopedist is Dr. [REDACTED]. She is prescribed various narcotics for pain, but she does not want to become addicted to the medications. She also stated that the medications do not allow her to think clearly so she opts for over the counter pain relievers. She attends water therapy regularly, but pays for it herself because she found that the DOL-OWCP only paid for a limited number of sessions and she believed the sessions were necessary. She stated that her physician has prescribed her to have a total knee replacement, but she needs to lose some weight before the surgery. She hopes that the exercise in water will aid her in losing weight so she could have the surgery.

[REDACTED] stated that African-American employees in her former office were discriminated against by [REDACTED] and [REDACTED], managers in the office. She claimed that African-American employees were afraid to express concerns because they feared retaliation. According to [REDACTED], the discrimination and harassment was so bad that some African-American employees retired or transferred to other agencies to avoid working with [REDACTED] or [REDACTED]. [REDACTED] stated that she was also harassed and discriminated against, but stood up to [REDACTED] by questioning his actions. For example, after [REDACTED] was injured in 2013, [REDACTED] wanted her to return to work each day after medical treatments. She spoke to [REDACTED] in person and in writing regarding the infeasibility of this request. [REDACTED] stated that had she not gotten injured, she would have continued to work at Treasury and standing up to [REDACTED]. [REDACTED] stated that she was terminated from Treasury in November 2014, only six months after getting injured. She stated that the termination was unfair because a workers' compensation claimant is normally entitled to 12 months of workers' compensation before an agency terminates them from their former position. [REDACTED] stated that she has filed a civil lawsuit against Treasury regarding the aforementioned matters. [REDACTED] stated that she cannot work in her former position or in a light duty position because of her pain, lack of mobility and the medications which do not allow her to think clearly. She hopes that after surgery, she can return to work in some capacity with the federal government.

TOIG asked [REDACTED] about employment activities TOIG found associated with her on the internet. She stated that she created CBW Global Services LLC in approximately 2000. It was a one person business to offer consulting services in safety training. She has done no training through this company since approximately 2001. She also created [REDACTED] Global Enterprise in approximately 2001 to perform consulting services. She never performed any work under this company name. [REDACTED] claimed no knowledge of the companies Dynamic Marketing Services or Dynamic Concepts Inc. [REDACTED] stated that she sold products through Body Magic and Cookie Lee in the mid 2000's. [REDACTED] stated that she has had no employment or self-employment in several years, and specifically, none since being on workers' compensation. (Exhibit 5)

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[Agent's Note: Agents surveilled [REDACTED]'s residence at various times and found no unusual activity. Dynamic Marketing Services/Dynamic Concepts was contacted and had no record or knowledge of [REDACTED] ever being employed with this company. [REDACTED] and [REDACTED] are no longer employed by Treasury and were not contacted. Several attempts to interview Dr. [REDACTED] were unsuccessful. Kaiser Permanente would not allow an interview of [REDACTED]'s physician and would only allow review of their records with a waiver from [REDACTED]. TOIG did not request a waiver from [REDACTED] because the waiver would only allow TOIG access to the medical records, and DO and DOL-OWCP had most of these records. TOIG did contact DOL-OWCP and requested a second opinion on [REDACTED].]

Referrals

NA

Judicial Action

NA

Findings

In April 2016, TOIG initiated an investigation regarding possible workers' compensation fraud by [REDACTED], after receiving an anonymous complaint. The investigation determined that the allegation was unsubstantiated. TOIG has found no employment or self-employment while [REDACTED] has been on workers' compensation. [REDACTED] has had knee surgery and is awaiting another surgery. One witness saw an activity inconsistent with [REDACTED]'s claimed knee injury, however, TOIG has no knowledge of prolonged activities inconsistent with [REDACTED]'s injuries.

Distribution

Mike Lewis, Senior Advisor, DO

Report of Investigation

Case Name: [REDACTED]

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Signatures

Case Agent:

[REDACTED]

7-28-16

Date

Supervisor:

[REDACTED]

30 JULY 2016

Date

Jerry S. Marshall

Report of Investigation

Case Name: [REDACTED] [REDACTED]

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Exhibits

1. Anonymous complaint dated January 14, 2016.
2. Memorandum of Activity, Review of workers' compensation documents, dated February 26, 2016.
3. Memorandum of Activity, Interview of [REDACTED], Human Resources Specialist, Treasury, dated March 23, 2016.
4. Memorandum of Activity, Interview of [REDACTED] Human Resources Specialist, Treasury, dated April 4, 2016.
5. Memorandum of Activity, Interview of [REDACTED] [REDACTED], workers' compensation claimant dated March 9, 2016.

REPORT OF INVESTIGATION
BFS-14-2532-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: IRS Routing Numbers

Case #: BFS-14-2532-I

Investigation Initiated: March 20, 2015

Case Type: Criminal X
Administrative —
Civil —

Investigation Completed: JAN 08 2016

Origin: David Ambrose, Chief Security
Officer
Bureau of the Fiscal Service

Conducted by: [REDACTED]
Special Agent

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

Summary

On August 11, 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 a suspicious pattern of routing numbers used by the Internal Revenue Service (IRS) to credit TreasuryDirect accounts with tax refunds. All of the questionable TreasuryDirect accounts shared common similarities, such as no driver's license information, invalid telephone numbers, and tax refunds just under \$5,000. Such similarities are possible indications of tax return fraud. [REDACTED] and Bankcorp were listed on the TreasuryDirect accounts. After a preliminary review of the accounts, BFS determined, due to the fraudulent scheme, that a total of \$368,302.62 was credited by the Treasury to the TreasuryDirects accounts and \$77,330 was subsequently withdrawn by unknown subjects through accounts at [REDACTED] and [REDACTED]. A total of \$290,972.62 remained in the TreasuryDirect accounts. All of the TreasuryDirect accounts were locked to prevent further loss and BFS changed the monthly review of the accounts to a weekly review for new accounts.

The investigation determined that the allegation was substantiated. Unknown subjects used identities stolen from victims to open TreasuryDirect, [REDACTED], and [REDACTED] accounts. The identity theft victims resided in several states, including Florida, Texas, New York, and Alabama. The subjects utilized debit cards purchased at retail stores located in Florida and Texas to access the funds in the [REDACTED] and [REDACTED] accounts. The funds were transferred to the debit cards and then cash was withdrawn from automated teller machines (ATMs) located in Florida and Texas.

Basis and Scope of the Investigation

On August 11, 2014, TOIG received notification from [REDACTED], Technical Analyst, Treasury Securities Services, Bureau of the Fiscal Service (BFS), regarding the suspicious [REDACTED] and [REDACTED] accounts. The Compliance and Risk Management Staff (CRMS) discovered additional suspicious accounts and notified TOIG on August 20, 2014, September 2, 2014, and November 13, 2014. A total of ten [REDACTED] and ten [REDACTED] accounts were reported as fraudulent accounts. (Exhibit 1)

From May 19, 2014 through August 4, 2014, an unknown number of subjects opened fraudulent TreasuryDirect, [REDACTED] and [REDACTED] bank accounts using the stolen identities of 19 victims. The victims were located in Florida, Texas, New York, and Alabama. By utilizing fraudulent tax return schemes, the subjects caused the Department of the Treasury to deposit a total of \$447,477.79 into TreasuryDirect accounts. The subjects, using debit cards purchased at various retail stores in Florida and Texas, withdrew approximately \$77,330 via automated teller machines (ATM) and store purchases. The ATM withdrawals and store purchases occurred in Florida and Texas. The subjects also attempted to obtain the funds via Treasury bonds, but they were only successful in redeeming \$100.

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

- [REDACTED] private citizen
- [REDACTED], private citizen
- [REDACTED] private citizen
- [REDACTED], private citizen
- [REDACTED], private citizen
- [REDACTED], private citizen
- [REDACTED], private citizen
- [REDACTED] private citizen
- [REDACTED], private citizen
- [REDACTED] private citizen

In addition, TOIG reviewed pertinent documents, including:

- TreasuryDirect accounts
- [REDACTED] bank accounts
- [REDACTED] bank accounts
- Locations of debit card purchases and transactions

Investigative Activity

From March 2015 through August 2015, TOIG conducted telephonic interviews with ten of the identity victims. One victim already knew that he was a victim of identity theft because of fraudulent charges on his credit card statement. All ten victims did not know anything about TreasuryDirect, [REDACTED] or [REDACTED] bank accounts. (Exhibit 2)

TOIG issued several Inspector General (IG) subpoenas to obtain bank records from [REDACTED] and [REDACTED]. TOIG reviewed the subpoena returns and discovered that there were tax refund deposits in five [REDACTED] and five [REDACTED] bank accounts. The total amount of deposits for the five [REDACTED] accounts was \$20,400. The total amount of deposits for the five [REDACTED] accounts was \$60,274.10. Withdrawals, totaling \$67,396.46, were made from four out of the five [REDACTED] accounts and three out of the five [REDACTED] accounts. (Exhibits 3, 4, and 5)

Numerous Treasury bonds were purchased using TreasuryDirect accounts but the subjects were unsuccessful in transferring any material amount of funds for personal use; most of the funds remained in the TreasuryDirect accounts. (Exhibit 6)

TOIG contacted [REDACTED] and [REDACTED] regarding the issuance of their bank cards to the account holders. [REDACTED] and [REDACTED] reported that the bank cards were mailed to the addresses listed in the account holders' files. The account holders did not have to utilize the issued bank cards to get access to the funds; the account holders could purchase debit cards sold at any retail store and use those cards to create a temporary link, via a personal identification number (PIN) created by the user, to load the funds from the [REDACTED] and [REDACTED] accounts to the debit cards.

An analysis of the locations where the debit card purchases and ATM withdrawals occurred indicated that the areas with the highest activities were in Florida and Texas. Purchases made ranged from various stores such as Walmart, Sam's Club, CVS, and Winn Dixie to eateries such as Pizza Hut and Chi's Wok in Florida and Texas. The debit cards were purchased in stores such as 7-Eleven, Walmart, and CVS in Florida and Texas. (Exhibit 7)

The subjects could not be identified through discussions with the identity theft victims and review of financial records and transactions. Video surveillance and photographs of the individuals conducting the transactions were not available due to the limited amount of time the stores electronically maintain video and photograph records and because in-person transactions were not conducted at the banks. The accounts were set up via the internet; internet protocol (IP) addresses of the account owners were not captured or maintained by the banks. All investigative leads have been exhausted.

TOIG referred the case to Resident Agent in Charge (RAC) [REDACTED], Scheme Development Center (SDC), IRS-CI, for consideration. After reviewing the case, RAC [REDACTED] declined the referral and requested TOIG forward the referral to Washington Field Office (WFO), IRS-CI. TOIG provided

the case information to Supervisory Special Agent (SSA) [REDACTED], WFO, IRS-CI. SSA [REDACTED] accepted the referral and requested information regarding the victims. The victim information was analyzed and forwarded to the SDC to determine if they were linked to any IRS-CI investigations. SSA [REDACTED] reported there were no developments. TOIG will be contacted if there were any developments.

Referrals

N/A

Judicial Action

N/A

Findings

The investigation determined that the allegation was substantiated. The TreasuryDirect, [REDACTED] and [REDACTED] accounts were fraudulently opened using stolen identities. Fraudulent tax refunds were then deposited into the [REDACTED] and [REDACTED] accounts. Debit cards were then purchased at various retail stores for the sole purpose of loading and accessing the funds. The loaded debit cards were used to make cash withdrawals at ATMs and purchases at stores and restaurants. The subjects could not be identified.

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

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

Distribution

David Ambrose, Chief Security Officer, Bureau of the Fiscal Service

Signatures

Case Agent

12/28/2015
Date

Supervisor:

8 JAN 2016
Date

Jerry S. Marshall

Exhibits

1. Lead Initiation, various dates.
2. Memorandum of Activity, Miscellaneous, dated September 14, 2015.
3. Memorandum of Activity, Subpoena – OIG – Results/Review, dated May 19, 2015.
4. Memorandum of Activity, Subpoena – OIG – Results/Review, dated June 17, 2015.
5. Memorandum of Activity, LEO Activity – Record/Information Review, dated July 24, 2015.
6. Memorandum of Activity, LEO Activity – Record/Information Review, dated July 16, 2015.
7. Memorandum of Activity, LEO Activity – Record/Information Review, dated July 29, 2015.

REPORT OF INVESTIGATION
OCC-16-1889-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 #: OCC-16-1889-I

Case Title:

Lotus Notes/SharePoint
Developer/Contractor
Office of the Comptroller of the
Currency

Case Type:

Criminal
Administrative ☒
Civil

Conducted by:

Special Agent

Investigation Initiated: June 17, 2016

Approved by:

Jerry S. Marshall
Deputy Assistant Inspector
General

Investigation Completed: AUG 15 2016

Origin: Office of the Comptroller of the Currency

Summary

On June 1, 2016, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), initiated an investigation based on information received from the Office of the Comptroller of Currency (OCC), reporting that [REDACTED] a contracted employee from Mind Safety Management LLC, had emailed an OCC document regarding sensitive bank fraud information (BF_export96-97.xls) that contained Personally Identifiable Information (PII) from her work laptop to her alias personal email address, [REDACTED], which sends emails to her personal email, [REDACTED], on May 26, 2016. (Exhibit 1)

The investigation determined that the allegation was substantiated. [REDACTED] admitted to sending the document, BF_export96-97.xls, to her personal email address because her work computer was crashing and she wanted to complete her assignment by May 31, 2016. [REDACTED] stated, and TOIG corroborated, that she did not open the email on her personal computer nor did she download or open the subject file on her personal computer. TOIG investigation revealed no PII was lost or disseminated.

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Report of Investigation

Case Name: [REDACTED]

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Basis and Scope of the Investigation

On June 17, 2016, TOIG, initiated an investigation based on information received from the OCC, reporting that [REDACTED] Contractor, Lotus Notes/SharePoint, emailed an OCC spreadsheet containing PII to her personal unsecure email address from her government laptop.

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

- [REDACTED] Privacy Program Manager, OCC
- [REDACTED] Auditor, OCC
- [REDACTED] Contractor, Lotus Notes/SharePoint Team, OCC
- [REDACTED] IT Specialist, OCC

In addition, TOIG reviewed pertinent documents, [REDACTED]

- [REDACTED]'s signed Non-Disclosure Act, NDA
- [REDACTED] TLMS history showing Cyber Awareness/IT Rules
- Symantec Data Loss Prevention violations from [REDACTED]'s work computer
- Email written by [REDACTED] to [REDACTED] her Project Manager, detailing the incident

Investigative Activity

TOIG telephonically interviewed [REDACTED] and [REDACTED] simultaneously to acquire details about the incident. [REDACTED] stated that [REDACTED] is a Lotus Notes/SharePoint developer contracted by Mind Safety Management, LLC since March 2016, with the OCC. [REDACTED] assignment was to transfer a file (bank fraud information from 1996-2006 (approximately)) from Lotus Notes to SharePoint as OCC was no longer going to use Lotus Notes. [REDACTED] indicated that only one person has access to the file and they had not accessed the file in approximately two years. [REDACTED] advised that [REDACTED] did have permission to the file in order for her to transfer it (containing approximately 35,882 records) from Lotus Notes to SharePoint. [REDACTED] stated that on May 26, 2016, at 4:43PM, [REDACTED] emailed a file of bank sensitive information to her personal email: [REDACTED]. On May 31, 2016, [REDACTED] questioned [REDACTED] on the incident and she cited that her computer at work was freezing up and she told her program manager that the computer was not working correctly. [REDACTED] stated to [REDACTED] that she emailed the bank fraud file to her personal email so that she might be able to work on uploading the spreadsheet to SharePoint at home if she needed to, but that she never opened the email or downloaded the spreadsheet because she was able to complete the task at work on her work laptop. [REDACTED] told [REDACTED] that around 7:00AM on May 27, 2016, she deleted the email from her personal account. [REDACTED] told [REDACTED] that she is aware she is not supposed to send government information/documents to a personal account, but felt like she was up against a deadline. [REDACTED] stated that a second interview was conducted with [REDACTED] on June 7,

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2016 regarding her personal email address. [REDACTED] explained to [REDACTED] that her personal email was set up long ago as an alias due to former employment that she had. [REDACTED] explained that anything sent to her personal email is routed through [REDACTED]; however, it is not stored with [REDACTED] as she does not pay for that service. [REDACTED] also informed [REDACTED] that she did not know the bank file was sensitive information. (Exhibit 2)

In a telephonic interview with TOIG, [REDACTED] explained that his direct supervisor requested that databases utilizing the software Lotus Notes be transferred to SharePoint due to Lotus Notes platform being retired from the OCC system. [REDACTED] stated that he assigned the bank fraud transition to [REDACTED] because she is an expert in conversion of Lotus Notes. [REDACTED] explained that most Lotus Notes files had not been accessed in 5-20 years. [REDACTED] explained that the process was to reach out to the database owners to verify that Lotus Notes was not still being utilized and once verified, the transfer from Lotus Notes to SharePoint on files would begin for archiving purposes. [REDACTED] also explained that he and [REDACTED] looked at the metadata which has name, date, and a common box, as well as the data set and that nothing seemed sensitive in the file. [REDACTED] said the database owner did not mention that it was sensitive information. [REDACTED] explained that generally the files are not read by the person doing the transfers, their focus is mainly on the technicality of moving the data from one software platform to another. [REDACTED] corroborated that [REDACTED] told him that her computer was running slow and was crashing on the date the incident occurred. [REDACTED] also stated that [REDACTED] did open a ticket with the help desk that day to help fix her computer issues. [REDACTED] stated that since he has supervised [REDACTED] only for the last couple of months, but he can tell that she is a hard worker and technically focused on work. [REDACTED] stated that in regards to deadlines, he talks to the contractor/employee to determine about how long a conversion should take and they agree from there on a deadline. (Exhibit 3)

In an interview with TOIG, [REDACTED] stated she works for the OCC, Office of Management, Lotus Notes Team as a contractor through Mind Management Safety, LLC. [REDACTED] stated she was assigned the bank project, transferring Lotus Notes software platform to a SharePoint List platform. [REDACTED] stated that OCC was no longer going to use the Lotus Notes platform. [REDACTED] stated that she spoke to [REDACTED] verbally and they agreed for her to be finished with this project on or about May 31, 2016. [REDACTED] explained that transferring information takes a long time as SharePoint can only handle about 3000 records at a time. [REDACTED] informed that she had already transferred the Lotus Notes to an Excel Spreadsheet so that she could upload into SharePoint. [REDACTED] stated that after about 25,000 records of BF_export96-97.xls, (bank fraud file) that her work laptop began to run slow. [REDACTED] advised she had other programs running on her work laptop and could tell the processor was getting full. [REDACTED] informed she called Tech Support and they suggested to restart the computer or remove the battery and re-install. [REDACTED] indicated that nothing was helping with the work laptop. [REDACTED] stated that she was frustrated and felt like she was on a deadline and also had requested May 27, 2016, off for personal reasons. [REDACTED] stated that on the afternoon

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of May 26, 2016, in a moment of frustration, she emailed BF_export96-97.xls to her personal email, [REDACTED] which is an alias and forwards directly to her email address of [REDACTED], thinking she could work on the project over the holiday weekend and have the project complete before May 31, 2016. [REDACTED] explained that [REDACTED] was an alias email she used when she had her own website and has had it for about thirteen years. [REDACTED] acknowledged that it is hosted by [REDACTED], but that [REDACTED] only forwards her emails and does not retain any data. [REDACTED] stated that she would have to pay for [REDACTED] to retain any emails sent and she does not pay for that service.

[REDACTED] stated that on the morning of May 27, 2016, she logged into her personal computer, HP Pavilion, with her PIV card attached and signed into the OCC Network via Virtual Private Network (VPN)/Citrix. [REDACTED] stated that she accessed the OCC Network through Citrix and accessed eDOC desktop. [REDACTED] stated that she was able to extract files from the Excel Spreadsheet (BF_export96-97.xls) and transfer them to the SharePoint List platform. [REDACTED] advised that once she could see that she was able to work on the project through eDOC with no issues, she deleted the email she sent herself from her work computer around 7:00AM that [REDACTED] the attachment of BF_export96-97.xls. [REDACTED] stated that she did not open the email nor the attachment, just deleted it and then deleted it from the yahoo "trash can" as well.

[REDACTED] advised that it was not explained to her that this file was full of sensitive information and that she should not send an OCC government document to her personal computer. [REDACTED] stated that she has taken Cyber Security Awareness training.

[REDACTED] indicated that she was the only one assigned to this project, Bank Fraud File, transferring the twenty year old file from Lotus Notes to SharePoint. [REDACTED] stated that she did not know what was in the file because when she was transferring the information, (it was large chunks of information at a time) she did not read it.

[REDACTED] said that she regrets sending the information via email from her work laptop to her personal computer and would never do it again. (Exhibit 4)

[REDACTED] agreed and signed a (OF-36) Consent to Search, to search her computer for BF_export96-97.xls, to verify that the file was not downloaded onto her personal computer. TOIG conducted the search of [REDACTED] personal HP Pavilion laptop.

TOIG performed a forensic review of [REDACTED] personal computer. The file was not located in the Yahoo email account or its associated deleted emails. Emails that are deleted from a webmail user's "trash" folder are not recoverable by the user. Neither the file nor any artifacts indicating it had been present on the computer were located. (Exhibit 5)

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Referrals

N/A

Judicial Action

N/A

Findings

The investigation determined that the allegations were substantiated. [REDACTED] admitted that she emailed an OCC government spreadsheet containing sensitive information to her personal email, but did not open the email nor did she download its contents to her personal computer.

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

- 31 CFR 0.205: Care of Documents and Data, employees cannot remove data without permission.
- OCC Policies and Procedures Manual (PPM 4000-4), Page 2, Standards: Employees must not transmit or forward OCC information to any privately established e-mail account, create links between OCC e-mail accounts and a privately established account (this [REDACTED] but is not limited to, automatic forwarding or notifications), or use private e-mail accounts to conduct OCC business

Distribution

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

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Signatures

Case Agent:

[REDACTED]

[REDACTED]

7/29/16

Date

Supervisor:

[REDACTED]

Jerry S. Marshall

4 AUG 2016

Date

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Case Name: [REDACTED] [REDACTED]

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Exhibits

1. Lead Initiation Complaint, dated June 2, 2016.
2. Memorandum of Activity, Interview of [REDACTED] and [REDACTED] [REDACTED] dated June 8, 2016.
3. Memorandum of Activity, Interview with [REDACTED] [REDACTED] dated June 22, 2016.
4. Memorandum of Activity, Interview with [REDACTED] [REDACTED] dated June 15, 2016.
5. Memorandum of Activity, Cyber, dated June 16, 2016.

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**REPORT OF INVESTIGATION
USM-16-1133-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: Armored Car
Carrier Contract

Case #: USM-16-1133-I

Case Type: Criminal
Administrative X
Civil

Conducted by: [REDACTED]
Special Agent

Investigation Initiated: April 25, 2016

Investigation Completed: SEP - 8 2016

Approved by: Jerry S. Marshall
DAIGI

Origin: United States Mint,
Office of Counsel

Summary

In March 2016, the U.S. Department of the Treasury, Office of Inspector General (TOIG) initiated an investigation regarding possible overcharges by armored carriers to the United States Mint (USM) after receiving a complaint by the USM Counsel.

The investigation determined that the allegation was substantiated. TOIG found examples of high bids, however, found no intent to defraud the USM. TOIG interviewed representatives at all three companies and found that they based their bids to the USM on several factors: location, date, driver availability, and whether they had an empty truck/load after the USM delivery. They often do not bid if they cannot perform the job, or will place a high bid if it is an undesirable delivery. They all claimed they either were unaware, or only had a "vague" recollection of the USM's "price protection clause" in their contracts. They all admitted that this clause was not being followed by them or being enforced by the USM. They all stated that USM employee, [REDACTED] contacted them about their bids to reduce costs. TOIG found that there were some examples of high bids, but found no evidence of collusion or bid-rigging among the contractors.

Basis and Scope of the Investigation

In March 2016, TOIG initiated an investigation of the USM armored carriers and their bid prices after receiving a complaint from USM Counsel. (██████ 1)

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

- [REDACTED] Counsel, USM
- [REDACTED] [REDACTED] USM
- [REDACTED] FRB Support Specialist, USM
- [REDACTED] Administrative Specialist, USM
- [REDACTED] Transportation Specialist, USM
- [REDACTED] and Contracting Officer, USM
- [REDACTED] Office of Procurement, USM
- [REDACTED] Transportation Specialist, USM
- [REDACTED] Contracting Officer, Bureau of Engraving and Printing
- [REDACTED] Division of Reserve Bank, Operations and Payment Systems, Board of Governors of the Federal Reserve System,
- [REDACTED] IBI Secured Transport Inc.(IBI)
- [REDACTED] American Armored Transport Inc. ([REDACTED])
- [REDACTED] US Armored Co (USAC)

In addition, TOIG reviewed pertinent documents, including:

- Contracts for all three carriers
- USM shipping bids

Investigative Activity

In an interview with TOIG, [REDACTED] [REDACTED] stated that he reviewed a Basic Ordering Agreement (BOA) for contract armored carriers to transport USM items, specifically coins. [REDACTED] advised he has had little to do with the procurement of services since that date. [REDACTED] stated that when the Federal Reserve Board (FRB) requires a shipment of coins from the USM, the USM places an order in the Oracle Transportation Module (OTM) requesting a shipment of coins from one location to another. Contract armored carrier companies who have already been approved by the USM and given OTM access, place bids in the OTM for the specific shipment.

█████ stated that in February 2016, ██████ USM Transportation Manager, spoke with him regarding irregularities, where bids from one company for the same type of shipment would vary from one day to another. ██████ also expressed concerned that on occasion, the USM would only receive one bid on a shipping job. Finally, ██████ told ██████ that the companies may not be following the BOA's "price protection clause" which requires the contractor to offer the

lowest price for comparable services performed within the last six months. [REDACTED] was not certain if there was fraud, but decided to inform the USM Office of Security and TOIG. ([REDACTED] 2)

In an interview with TOIG, [REDACTED] stated that he has been employed with the USM since [REDACTED]. His primary [REDACTED] is serving as the FRB [REDACTED]. In [REDACTED] he also began working as a USM [REDACTED]. [REDACTED] stated that he served on a team in 2012 that reviewed a BOA to contract armored carriers to transport USM items, specifically coins. After the BOA was reviewed by USM Counsel, it was placed on the USM Oracle system. Armored carrier contractors could review the BOA and submit a package to be awarded shipping jobs under the BOA. After the Office of Personnel Management conducted a background investigation on the company and its officers, the companies were allowed access to the OTM and could bid on USM shipping jobs. [REDACTED] stated that [REDACTED] Armored Transport Inc. ([REDACTED] [REDACTED] Armored Corp ([REDACTED]) and [REDACTED] Secured Transport [REDACTED] were the three companies that could bid under this BOA, and added that Loomis also ships internationally.

[REDACTED] stated that the USM recently hired [REDACTED] a former [REDACTED]. [REDACTED] came to [REDACTED] in [REDACTED] and showed him how [REDACTED] would bid \$8,000 for a shipment one day, but would charge almost \$16,000 for the same shipment the following day. They both also noted that there were occasions that the USM would only receive one bid from one contractor. [REDACTED] stated that if the USM believes that the bid is too high based on previous quotes, the USM contacted the FRB who requested the shipment and ask if the shipment can be delayed. If the FRB representative says that the shipment can be delayed, the USM withdraws the shipping request, and announces it again the following week to obtain a lower bid.

[REDACTED] stated that he brought up the cost discrepancies to [REDACTED] because he knew that [REDACTED] was familiar with contracts and this BOA. [REDACTED] was concerned that the contractors were not following the BOA's "price protection clause" which requires the contractor to offer the lowest price for comparable services from within the last six months. [REDACTED] was not certain if there was fraud, but decided to inform the USM Office of Security and TOIG. [REDACTED] stated that he ([REDACTED] was not aware of any fraud or bid-rigging. [REDACTED] stated he simply believes that the contractors bid high if they are busy and have few trucks and drivers to spare. ([REDACTED] 3)

In an interview with TOIG, [REDACTED] [REDACTED] stated that he has been employed with the USM since October 2015. He was previously with the U.S. Marines and with CACI performing work in transportation services. [REDACTED] stated that he is aware of the armored carriers bidding vastly different prices from one day to another. He stated that he does not believe there is fraud by the contractors, but believes it is simply supply and demand. Contractors bid a high price for a shipment if they do not want the job or have limited drivers or vehicles. On occasion, some contractors will not bid on a shipment at all and the USM will only get one bid. [REDACTED] added that if a price seems unreasonable based on previous bids, the USM would

withdraw the request in the OTM and resubmit the request to obtain a better price. [REDACTED] stated that he has spoken to some of the contractors and they admit that a price is high, but will state that it is due to the company needing to get an additional driver or truck. [REDACTED] is not certain if the contractors are aware of the BOA's price protection clause which requires the contractor to provide the best /same price it has offered for the same size shipment within the last six months. [REDACTED] has brought up these price disparities to [REDACTED] then brought up the matter to the USM's Counsel. [REDACTED] and [REDACTED] were hoping that counsel would write a letter to the contractors reminding them of the price protection clause, but counsel contacted TOIG. [REDACTED] stated that the USM has been attempting to hire additional companies for more competition, better prices and [REDACTED] but have not found other interested companies. ([REDACTED] 4)

In an interview with TOIG, [REDACTED] [REDACTED] stated that she has been employed with the USM since [REDACTED]. She took on the role of Mint [REDACTED] in 2013 and is responsible for shipments to and from Washington, DC, San Francisco, CA and West Point, NY. [REDACTED] did not write the BOA for the armored carriers and was not certain who did. [REDACTED] stated that she is aware of the armored carriers bidding vastly different prices from one day to another. [REDACTED] stated that she does not believe there is fraud by the contractors, but believes it is simply supply and demand. A contractor will bid a high price for a shipment if they do not want the job or have limited drivers or vehicles. [REDACTED] stated that if a price seems unreasonable based on previous bids, the USM would withdraw the request in the OTM and resubmit the request to obtain a better price. [REDACTED] added that [REDACTED] is closely monitoring the prices and working with the vendors. [REDACTED] has not spoken to any contractors regarding the price discrepancies. ([REDACTED] 5)

In an interview with TOIG, [REDACTED] [REDACTED] stated that he has been employed with the USM in Philadelphia since 1983. He did not write the BOA for the armored carriers and was not certain who did. [REDACTED] is responsible for all shipments from the USM in Philadelphia, PA. The aforementioned companies places a bid for the shipment and the OTM awards the contract to the lowest bidder. [REDACTED] typically is the lowest bidder and performs most of the Philadelphia shipments. [REDACTED] stated that on occasion, only one vendor will place a bid. [REDACTED] added that on occasion, [REDACTED] or [REDACTED] submitted unusually high bids. When these occasions occur, [REDACTED] contacted [REDACTED] or [REDACTED] who contacted the vendors and the FRB to change the delivery time and lower costs. [REDACTED] knew of no fraud among these vendors. ([REDACTED] 6)

In an interview with TOIG, [REDACTED] [REDACTED] stated that she has been employed with the USM since 2008. She did not write the BOA for the armored carriers. [REDACTED] stated that she does not believe there is fraud by the contractors, but believes prices vary because of supply and demand. A contractor would bid a high price for a shipment if they did not want the job or have limited drivers or vehicles. [REDACTED] stated that there is a price protection clause for the USM to receive the best price within the last six months, but she believes that the company

representative who signed the original contract and the company employee bidding on the shipments may be different people and that the bidder is not aware of the price protection clause. [REDACTED] has not spoken to anyone at the companies regarding this matter. ([REDACTED] 7)

In an interview with TOIG, [REDACTED] [REDACTED] stated that she has been employed with the USM since [REDACTED]. [REDACTED] stated that the contract for armored carriers at the USM has been used for years. She did not write or review the statement of work or the contract. The USM contracts with three armored carriers. The USM also has several non-armored carriers for supplies and lower value coin shipments. The USM has been attempting to obtain additional armored carriers, but are having difficulty because the USM does not follow the Federal Acquisition Regulation (FAR). By not following the FAR, vendors do not have all the FAR securities such as the right to sue the agency. [REDACTED] stated that the USM has spoken to [REDACTED] Company annually regarding contracting with the USM, and she believes they are close to signing a contract.

[REDACTED] stated that many contracts at the USM have a price protection clause requiring the vendor to offer the best price from within the last six months for the same job. The armored carrier contracts also have this price protection, but she believes that this clause should be eliminated from the contracts. [REDACTED] explained that USM Traffic Planners place a transport job into the USM's OTM and the three aforementioned companies bid on the job. A bid process such as this cannot also have a price protection clause because one vendor would always win, and other vendors would stop bidding. [REDACTED] has told her about wide price variations by the contractors and occasions when the USM only receives one bid. [REDACTED] stated that [REDACTED] wanted USM Counsel to contact the companies and remind them of the price protection clause. [REDACTED] stated that she was not aware of any fraud or bid-rigging. [REDACTED] believes that contractors bid high if they are busy and have few trucks and drivers to spare. [REDACTED] added that driver availability is also an issue because all drivers coming to a USM have to have a security clearance. [REDACTED] believes the best option for the USM is to get rid of the price protection clause and attempt to hire additional contractors. ([REDACTED] 8)

In an interview with TOIG, [REDACTED] [REDACTED] stated that he has been employed with the USM in Philadelphia since [REDACTED]. He did not write the BOA for the armored carriers and was not certain who did. [REDACTED] is responsible for all shipments from the USM in Denver, CO. The armored carrier contractors place bids for a shipment in the OTM, and the OTM awards the contract to the lowest bidder. [REDACTED] normally is the lowest bidder, but they do not bid on many jobs because they are a smaller company with fewer drivers and trucks. [REDACTED] stated that occasionally there are no bids. When these occasions occur, he contacts [REDACTED] or [REDACTED] who contact the vendors and the FRB to change the delivery time. They also speak with the vendors if the costs appear high. [REDACTED] also speaks with the vendors on occasion regarding shipping logistics. [REDACTED] knew of no fraud among these vendors.
([REDACTED] 9)

In an interview with TOIG, [REDACTED] [REDACTED] BEP, provided information regarding BEP's armored carriers. [REDACTED] stated that there is a blanket purchase agreement (BPA) TEPC-12-68027 with two armored carriers – [REDACTED] and [REDACTED]. The BPA is from June 2012 to June 2017 and is for a total of \$760,000 with firm fixed price orders off of the BPA. Once the \$760,000 is reached, the BPA will no longer be in effect. This BPA is for security products such as paper and ink. There is another BPA – TEPC12-68001 awarded in February 2012, to USAC for the shipment of U.S. Department of Homeland Security (DHS) documents. ([REDACTED] 10)

In an interview with TOIG, [REDACTED] [REDACTED] Board of Governors of the FRB, explained the contracting of armored carriers for the shipment of U.S. currency at the FRB. The FRB has contracts with Dunbar, [REDACTED] [REDACTED] and [REDACTED]. The contracts are for three years with two option years. The last contracts were in 2012, and the FRB is in the process of awarding a new contract for 2017. At the beginning of the contract, the aforementioned companies placed proposals with quotes for specific routes. [REDACTED] stated that the bids are normally very close in price, except [REDACTED] tends to be more costly on some routes. Contracts were created with the companies and fixed prices were placed for each route. When the FRB requests a shipment of currency from one of the BEP locations or between FRB locations, the FRB contacts the company assigned for a particular route. FRB normally gives the contract a two week notice. The FRB also works with representatives of the BEP for shipment logistics. After the shipment is performed, the contractor sends an invoice to the FRB for payment.

[REDACTED] explained the BEP prints currency at the request of the FRB and the FRB issues the currency into circulation. Therefore, the FRB pays for shipments of currency from the BEP to the FRB and between FRBs. However, the USM does not create coins at the request of the FRB. The USM may mint and place into circulation as many coins as the USM feels is necessary. Most of these coins are sent directly to the FRB, but the USM can send coins to retailers also. Therefore, the FRB does not pay for the shipment of coins from the USM to the FRB. However, the FRB does request coins from the USM to be sent to the FRB locations. These requests are handled through the FRB in San Francisco to the USM in Washington, DC. The FRB gives the USM 10 days to deliver after the request, but works with the USM if the dates are not convenient for the USM and the carriers. [REDACTED] had not heard from the USM that the USM had cost issues with the armored carriers. [REDACTED] believes that it may be due to the USM requesting shipments with too little notice to the carriers. [REDACTED] was unaware of any fraud among the contracted armored carriers. ([REDACTED] 11)

In an interview with TOIG, [REDACTED] [REDACTED] [REDACTED] Secured Transport Inc, stated that he has been with [REDACTED] for [REDACTED] years. The company was created in 1963, and is a division of [REDACTED] Inc. [REDACTED] handles longer hauls and has the USM, the BEP, and the FRB as federal clients, as well as retail customers. [REDACTED] has 25 armored tractor trailers. Twenty are kept in NJ, but five are in their Salt Lake City, UT office. [REDACTED] stated that there is an office in UT that handles gold and precious metal moves of some companies in that area. They also ship for the USM in Denver,

CO, but often lose those bids because their competitors – [REDACTED] and [REDACTED] are located in Denver, CO, and can bid less for shipments to and from the Denver USM.

[REDACTED] stated that [REDACTED] has been a contractor for the USM for several years, but was not certain how long. [REDACTED] explained the process of bidding with the USM. A shipping job will be posted in the USM Web Portal (he was not certain of the website name), and the USM allowed two hours for a contractor to place a bid. The job showed the pickup and destination locations, the date to be picked up, and the weight. On occasions, there are multiple shipments to and from the same locations on the same date. [REDACTED] did not see the other bids. [REDACTED] reviewed the information and made a decision whether to bid and the amount to bid. The decision is based on whether he has trucks and drivers to make the delivery. [REDACTED] then often bids a rate assuming that the truck will be empty on the return trip to IBI Secured. If he can arrange for another shipment from another client so the truck does not return to NJ empty, [REDACTED] can reduce the cost to the USM. [REDACTED] decision to bid on a shipment also is based on the type of shipment. [REDACTED] and his drivers do not like shipments with multiple stop locations because they take too much time. They also do not like delivering to the FRB in Miami because the FRB claims they do not get paperwork, and require the drivers to wait too long.

On occasion if there is more than one delivery, [REDACTED] advised he bids a reasonable price for one delivery, but a much higher price for a second or third delivery on the same date because he does not really want the job based on truck and driver supply, but [REDACTED] will make the delivery if the USM accepts the higher price for that delivery. On other occasions, he places a bid, but within the two hour bid window, he determines that the delivery will be difficult based on driver and truck supply. [REDACTED] then goes into the system and raises the bid much higher so the bid is not selected. [REDACTED] stated that the USM system does not allow a contractor to delete a bid in the system. [REDACTED] found that the system allows a contractor to change a bid to \$0 because he has done this and then requested the USM not honor the bid because the company was not going to deliver a shipment for free. Following the bid process, he is notified via the web portal within two hours if he won the bid. [REDACTED] does not see who won the bid if it is not [REDACTED] Secured Transport. [REDACTED] called the USM bid system "archaic." The system only allows a two hour bid window requiring a contractor to access the system several times per day. The system also requires the contractor to place one bid per shipment instead of allowing a contractor to place one bid and state number of shipments contractor can perform. [REDACTED] stated by changing the way the bidding works, the USM could get lower bids from all of the contractors. [REDACTED] stated that the USM often places a shipment in the web portal to be shipped the following day so bids are done with little notice.

[REDACTED] added that the USM provides the contractors no [REDACTED] in dates delivered. If the USM would allow some [REDACTED] in dates, the contractors could lower their prices to accommodate other client's return loads. [REDACTED] stated that [REDACTED]'s contracts with the BEP and the FRB are fixed price contracts. [REDACTED] bid on certain shipping routes for both organizations and

those prices are what has been negotiated between parties for three years. The BEP and FRB also provide [REDACTED] with flexible dates so [REDACTED] rarely declines a shipment from these organizations. [REDACTED] stated that he has worked with many USM employees including [REDACTED] and [REDACTED]. [REDACTED] believes they are attempting to improve the system, but he has moved away from USM work because of the aforementioned issues.

[REDACTED] was shown the contract between the USM and [REDACTED]. [REDACTED] stated that he had never seen the contract and was unaware of the price protection clause. [REDACTED] stated that he does not know anyone from [REDACTED] or [REDACTED], and has never communicated with these companies regarding pricing. ([REDACTED] 12)

In an interview with TOIG, [REDACTED] [REDACTED] [REDACTED] stated that [REDACTED] was created in 1995 after he and several drivers left [REDACTED] and began [REDACTED]. The company is only located in CO. They have 31 trucks and 56 drivers. [REDACTED] also has contracts with the BEP, and the FRB, as well as retail customers.

[REDACTED] stated that the USM's OTM sends out a spot bid email to them and other carriers almost every business day. [REDACTED] places the bids and bids on approximately 90% of the jobs. [REDACTED] stated that he is given only hours to place a bid if the jobs is only a short time away, but has 1-2 days to bid if the job is for a shipment 1-2 weeks away. [REDACTED] bases his bid prices on past similar jobs, but bids high if the truck has to return to [REDACTED] empty. [REDACTED] also stated that it is sometimes a "crapshoot" whether [REDACTED] can perform the job so he bids high. If the USM accepts his bid, he will have to locate a truck and drivers to make it work. However, [REDACTED] often looks at a high bid and contacts him to reduce the bid or change the dates to get a lower price. [REDACTED] stated that he has read the USM contract and heard of the "price protection clause," but he did not always follow this clause because of fuel surcharges and availability factors. [REDACTED] added that the USM has never enforced this clause to his knowledge. [REDACTED] stated that his is aware that the other contractors are [REDACTED] in NJ, and [REDACTED]. [REDACTED] stated that he has no communication with either company.

[REDACTED] stated that the USM delivery system could be improved with more flexible dates or a set delivery schedule, similar to what the FRB does. The FRB provides a delivery schedule for an entire month and it rarely varies. [REDACTED] stated that the FRB and BEP have fixed price contracts, but he did not believe it would work for the USM because the USM has so many routes. [REDACTED] added that the FRB pays very well for their shipments so the USM would have to pay more for some fixed price shipments. ([REDACTED] 13)

In an interview with TOIG, [REDACTED] [REDACTED] [REDACTED], stated that [REDACTED] Transportation Corp has been in service since 1933. In 1982, [REDACTED] [REDACTED] Transportation Corp bought [REDACTED], so it is now a division of [REDACTED]. [REDACTED] has 36 trucks and 67 drivers. The company is located in Denver, CO, but they also have a truck yard in Bensalem, PA. [REDACTED] had a contract with the USM in 1982 when it was bought by [REDACTED] so [REDACTED]

was uncertain exactly when [REDACTED] obtained the USM contract. [REDACTED] also has contracts with the BEP, and the FRB, as well as retail customers.

[REDACTED] stated that he and [REDACTED] employee [REDACTED] bid on the USM transport jobs. [REDACTED] stated that the USM's OTM sends out a spot bid email to them and other carriers almost every business day. [REDACTED] stated that the bids are for assignments normally one to two weeks in the future, but approximately 40% of the bid requests are for assignments less than a week away. [REDACTED] bids if they can, but often does not place a bid if the turnaround time is too short, they do not have trucks in the desired area, or it will cost too much to bring back an empty trailer. [REDACTED] will occasionally bid high if a job is not desired by the company for the aforementioned reasons, but will usually not bid. TOIG asked them about bids that are different for the same route and size. [REDACTED] stated that they will charge more if they must return to [REDACTED] with an empty trailer because driving with an empty trailer is not cost effective. [REDACTED] stated that he has read the USM contract and was "vaguely aware" of the "price protection clause", but they did not always follow this clause because of fuel surcharges. [REDACTED] stated that they communicate with several USM employees in the different facilities, but mainly with [REDACTED]. [REDACTED] has contacted [REDACTED] when he believes a bid is too high and asked for a better rate. [REDACTED] has also worked with them on dates to lower costs.

[REDACTED] stated that they are aware the other contractors are [REDACTED] and [REDACTED]. [REDACTED] stated that they have no communication with either company. [REDACTED] added that the owner of [REDACTED] formerly worked for [REDACTED], but in 1995, he and several drivers left [REDACTED] to create [REDACTED].

[REDACTED] stated that the USM delivery system could be improved with more flexible dates or a set delivery schedules similar to what the FRB does. The FRB provides a delivery schedule for an entire month and it rarely varies. [REDACTED] also added that the USM could lease drivers and trucks at a fixed price contract. The USM would then have these services whenever needed. At the very least, the USM should lease a truck and two drivers for short hauls around the USM in Philadelphia, PA. [REDACTED] said that [REDACTED] is performing this lease service to [REDACTED] Company in Denver. ([REDACTED] 14)

Referrals

NA

Judicial Action

NA

Findings

The investigation determined that the allegation was substantiated. TOIG found examples of high bids, however, found no intent to defraud the USM. TOIG interviewed representatives at all three companies and found that they based their bids to the USM on several factors: location, date, driver availability, and whether they had an empty truck/load after the USM delivery. They often do not bid if they cannot perform the job, or will place a high bid if it is an undesirable delivery. They all claimed they either were unaware, or only had a "vague" recollection of the USM's "price protection clause" in their contracts. They all admitted that this clause was not being followed by them or being enforced by the USM. They all stated that USM employee, [REDACTED] contacted them about their bids to reduce costs. TOIG found that examples of high bids, but found no evidence of collusion or bid-rigging among the contractors.

Distribution

Dennis O'Connor, Chief, Office of Security

Signatures

Case Agent:

[REDACTED]
[REDACTED]

8-24-16
Date

Supervisor:

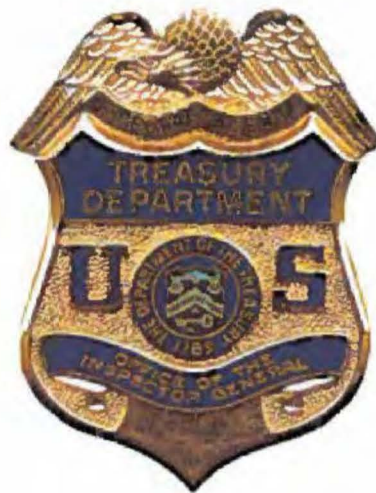
[REDACTED]
Jerry S. Marshall

24 AUG 2016
Date

[REDACTED]

1. Complaint dated March 3, 2016.
2. Memorandum of Activity, Interview of [REDACTED] [REDACTED] Counsel, USM, dated March 10, 2016.
3. Memorandum of Activity, Interview of [REDACTED] [REDACTED] [REDACTED] USM, dated March 10, 2016.
4. Memorandum of Activity, Interview of [REDACTED] FRB Support Specialist, USM, dated March 30, 2016.
5. Memorandum of Activity, Interview of [REDACTED] Administrative Specialist, USM, dated March 30, 2016.
6. Memorandum of Activity, Interview of [REDACTED] Transportation Specialist, USM, dated April 26, 2016.
7. Memorandum of Activity, Interview of [REDACTED] [REDACTED] [REDACTED] and Contracting Officer, USM, dated March 30, 2016.
8. Memorandum of Activity, Interview of [REDACTED] [REDACTED] [REDACTED] Office of Procurement, USM, dated April 21, 2016.
9. Memorandum of Activity, Interview of [REDACTED] Transportation Specialist, USM, dated April 26, 2016.
10. Memorandum of Activity, Interview of [REDACTED] Dated April 27, 2016.
11. Memorandum of Activity, Interview of [REDACTED] [REDACTED] FRB, dated May 3, 2016.
12. Memorandum of Activity, Interview of [REDACTED] [REDACTED] [REDACTED] [REDACTED] Transport Inc., dated May 13, 2016.
13. Memorandum of Activity, Interview of [REDACTED] [REDACTED] [REDACTED] [REDACTED] Transport Inc., dated July 25, 2016.
14. Memorandum of Activity, Interview of [REDACTED] [REDACTED] [REDACTED] Co., dated July 25, 2016.

REPORT OF INVESTIGATION
DO-16-1796-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]
Economist
Departmental Offices
GS-15

Case #: DO-16-1796-I
Case Type: Criminal
Administrative X
Civil

Investigation Initiated: May 24, 2016

Conducted by: [REDACTED]
Special Agent

Investigation Completed: AUG 15 2016

Approved by: Jerry S. Marshall
Deputy Assistant Inspector
General

Origin: Departmental Offices

Summary

The U.S. Department of the Treasury (Treasury), Office of Inspector General, Office of Investigations (TOIG), initiated an investigation based on information received from the Treasury Office of the General Counsel regarding an analysis of a Federal Reserve Board (FRB) economic report that was emailed prior to the scheduled release time.

The investigation determined that the allegation was substantiated. The premature release of the analysis was due to an error by the author, Treasury Economist [REDACTED] and had no measurable impact on the financial markets.

Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # DO-16-1796-I

Page 2 of 5

Basis and Scope of the Investigation

TOIG initiated an investigation based on information received from the Treasury Office of the General Counsel regarding an analysis of a Federal Reserve Board (FRB) economic report that was emailed out 45 minutes early. (Exhibit 1)

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

- [REDACTED] [REDACTED] Counselor to the Treasury General Counsel
- [REDACTED] [REDACTED] Economist, Departmental Offices

Investigative Activity

In an interview with TOIG, [REDACTED] reported that the Federal Reserve releases economic statistics such as the Consumer Price Index (CPI), housing starts and other data on a schedule published on their publicly available website (<https://research.stlouisfed.org/fred2/releases/calendar>). A summary of these statistics is provided to approximately 170 Treasury personnel shortly after the Federal Reserve's public release. [REDACTED] [REDACTED] a Treasury Economist, is responsible for this task and as such, receives the reports in advance.

On May 17, 2016, the Federal Reserve issued the reports listed below (note: the time zone is CST).

Tuesday May 17, 2016

Updated

7:30 am	Consumer Price Index	✓
	New Residential Construction	✓
	Quarterly Starts and Completions by Purpose and Design	✓
	Business Leaders Survey	✓
8:00 am	Federal Funds Data	✓
	Overnight Bank Funding Rate Data	✓
8:15 am	G.17 Industrial Production and Capacity Utilization	✓

[REDACTED] was supposed to release a summary of the three reports in the top box at 8:45 AM EST and a summary of the report in the bottom box at 9:30 AM EST. He actually released both summaries around 8:45 AM EST. This early release was noticed and reported to the Federal Reserve, but the Federal Reserve did not accelerate its release schedule.

There were two non-Treasury email addresses included in [REDACTED] early email. One to a state.gov address which was a Treasury detailee and the second to a non-working Office of Management and Budget address. [REDACTED] stated that to the best of her knowledge, the reports were not provided to the public in advance of the Federal Reserve's release schedule.

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Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # DO-16-1796-I

Page 3 of 5

The Treasury Office of Public Affairs was briefed on the matter, but reported no media inquiries pertaining to the reports. [REDACTED] was unaware of any unusual financial market behaviors the day of the reports early emailing. (Exhibit 2)

In an interview with TOIG, [REDACTED] advised that he monitors the domestic economy for the Treasury in the Office of Macroeconomic Analysis and provides analysis to the Secretary, the Deputy Secretary and other Treasury policy makers.

In the matter of the early release of the FRB Industrial Production Analysis on May 17, 2016, [REDACTED] admitted that when he came into the office that morning, there were three analytical reports that his staff had prepared for him to review and disseminate. [REDACTED] said he reviewed and emailed all three reports one right after the other and in that process mistakenly sent out the FRB Industrial Production Analysis prior to when it should have been released. Shortly thereafter, [REDACTED] emailed [REDACTED] to advise him that he had sent the report out early and sent out a follow-up message to disregard his earlier email.

[REDACTED] did receive an email from [REDACTED] [REDACTED] asking why he sent out the analysis early, but until contacted by TOIG, [REDACTED] thought the matter had been closed.

[REDACTED] provided the Industrial Production Analysis email, which contained approximately 1/3 of a page of analysis and synopsis of the FRB report and was sent at 8:44 AM, the notification occurred at 8:48 AM and the disregard email was sent at 8:50 AM.

[REDACTED] did not observe any unusual market activity that could in any way be attributed to what he characterized as an unexceptional report. [REDACTED] stated that he has not ever provided government information to outside parties, nor has he ever been approached to do so. (Exhibit 3)

Referrals

N/A

Judicial Action

N/A

Report of Investigation

Case Name: [REDACTED]

Case # DO-16-1796-I

Page 4 of 5

Findings

The investigation determined that the allegation was substantiated. The early release of the analysis was due to an error by [REDACTED] and had no measurable impact on the financial markets.

Distribution

Mike Lewis, Senior Advisor, DO

Signatures

Case Agent:

Signature

[REDACTED]

Date

7/19/2016

Supervisor:

Signature

Jerry S. Marshall

Date

15 AUG 2016

Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # DO-16-1796-I

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Exhibits

1. Lead Initiation Document, dated May 19, 2016.
2. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated June 1, 2016.
3. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated June 2, 2016.



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



Report of Investigation

Case Title: [REDACTED]
(Private Citizen)

Case #: FMS-12-2661-I

Investigation Initiated: November 7, 2012

Case Type: Criminal ☒
Administrative ☐
Civil ☐

Investigation Completed: NOV 22 2016

Conducted by: [REDACTED]
Assistant Special Agent
in Charge

Origin: Maryland Transit Authority Police
Detective [REDACTED]
Detective [REDACTED]

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

Summary

On November 7, 2012, the Maryland Transit Authority Police (MdTAP) contacted the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG) regarding an allegation that [REDACTED] attempted to transport eleven suitcases containing fraudulently purchased Apple iPads and Mac-Book Pro laptop products totaling approximately \$137,680, through Baltimore-Washington International (BWI) Airport security.

The investigation determined that the allegations are substantiated. [REDACTED] attempted to transport eleven suitcases containing fraudulently purchased Apple iPads and Mac-Book Pro laptop computer products totaling approximately \$137,680, through BWI Airport to Lagos, Nigeria. The case was dismissed by the Maryland District Court for Anne Arundel County on December 12, 2014, and all charges were nolle prossed.

Report of Investigation

Case Name: [REDACTED]

Case # FMS-12-2661-I

Page 2 of 5

Basis and Scope of the Investigation

This investigation was initiated on November 7, 2012, based upon information that [REDACTED] attempted to fly out of BWI Airport, Linthicum, MD, to Lagos, Nigeria, with eleven suitcases containing fraudulently purchased Apple iPads and Mac-Book Pro laptops totaling approximately \$137,680. The Apple products were purchased using debit cards loaded with fraudulently obtained Internal Revenue Service (IRS) funds.

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

- [REDACTED] Private Citizen
- [REDACTED] MdTAP
- [REDACTED] MdTAP
- [REDACTED] Private Citizen
- [REDACTED], Private Citizen

Investigative Activity

Detective [REDACTED] contacted TOIG to request investigative assistance regarding the seizure of fraudulently obtained Apple computer products discovered in [REDACTED]'s luggage at BWI Airport. Detective [REDACTED] obtained information from Apple that the products seized from [REDACTED]'s luggage were purchased using Green Dot debit cards in the names of various individuals. Further research by Detective [REDACTED] revealed the Green Dot debit cards were obtained using stolen information from numerous victims through fraudulently filed federal income tax returns. (Exhibit 1)

In an interview with TOIG, [REDACTED] stated he did not expect to receive a \$689.84 deposit from the IRS because he was not required to file a tax return for 2011. [REDACTED] did not give anyone permission to use his Personally Identifiable Information (PII) to direct an Automated Clearing House (ACH) payment to a Green Dot debit card that was used to purchase the fraudulently obtained Apple products seized at BWI Airport. [REDACTED] did not know how his PII had been stolen. (Exhibit 2)

In an interview with TOIG, [REDACTED] stated she did not expect to receive a \$1,000 deposit from the IRS. [REDACTED] did not give anyone permission to use her PII to direct an ACH payment to a Green Dot debit card that was used to purchase the fraudulently obtained Apple products seized at BWI Airport. [REDACTED] discovered a federal tax return had been filed using her PII and contacted the IRS to resolve the issue prior to contact with TOIG. [REDACTED] did not know how her PII had been stolen. (Exhibit 3)

In an interview with TOIG, [REDACTED] stated he purchased all of the Apple computer products from different places along the east coast. [REDACTED] refused to believe that all of the Apple

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Report of Investigation

Case Name: [REDACTED]

Case # FMS-12-2661-I

Page 3 of 5

computer products in his possession were fraudulently purchased. [REDACTED] claimed he used the Apple website to verify serial numbers on each Apple product he purchased from sellers. [REDACTED] denied any knowledge that the Apple computer products were purchased fraudulently. (MdTAP maintained all evidence in this case and will dispose of it in accordance with their established procedures.) (Exhibit 4)

Referrals

On October 7, 2014, the facts of the case were discussed with the Maryland States Attorney's Office for Anne Arundel County, Glen Burnie, Maryland, and the case was accepted for criminal prosecution. (Exhibit 5)

Judicial Action

On October 7, 2014, Detective [REDACTED] filed a criminal summons for [REDACTED] for one count of Maryland Criminal Law Code Annotated (CR) §7-104 Theft: Less \$1,000 Value, two counts of CR §7-104 Theft: \$1,000 to under \$10,000, and three counts of CR §7-104 Theft: \$10,000 to under \$100,000. (Exhibit 6)

On December 12, 2014, The Maryland District Court for Anne Arundel County nolle prossed [REDACTED] on one count of MD Code §7-104 Theft less \$1,000 value, two counts of MD Code §7-104 Theft \$1,000 to under \$10,000, and three counts of MD Code §7-104 Theft \$10,000 to under \$100,000. (Exhibit 7)

Findings

The investigation determined that the allegations are substantiated. [REDACTED] attempted to transport eleven suitcases containing fraudulently purchased Apple iPads and Mac-Book Pro laptop computer products totaling approximately \$137,680, through BWI Airport to Lagos, Nigeria. The investigation was dismissed by the Maryland District Court for Anne Arundel County and all charges were nolle prossed.

Distribution

N/A

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Report of Investigation

Case Name: [REDACTED]

Case # FMS-12-2661-I

Page 4 of 5

Signatures

Case Agent:

[REDACTED]

10/25/16
Date

Supervisor:

[REDACTED]
Anthony J. Scott

10/27/16
Date

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Report of Investigation

Case Name: [REDACTED]

Case # FMS-12-2661-I

Page 5 of 5

Exhibits

1. Lead Initiation, dated September 12, 2012.
2. Memorandum of Activity, Interview of [REDACTED] dated September 19, 2012.
3. Memorandum of Activity, Interview of [REDACTED] dated September 25, 2012.
4. Memorandum of Activity, Interview of [REDACTED], dated July 3, 2013.
5. Memorandum of Activity, Case Presented for Prosecution, dated October 10, 2014.
6. Memorandum of Activity, Judicial Summons, dated October 10, 2014.
7. Memorandum of Activity, Judicial Sentencing, dated October 4, 2016.

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**REPORT OF INVESTIGATION
BFS-17-0031-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]

Bureau of the Fiscal Service
GS-5/ Step 7

Case #: BFS-17-0031-I

Case Type:

Criminal

Administrative ☒

Civil ☐

Investigation Initiated: October 24, 2016

Investigation Completed:

DEC 20 2016

Conducted by:

[REDACTED]

Investigator

Origin:

[REDACTED]

Bureau of the Fiscal Service

Approved by:

Anthony J. Scott

Special Agent in Charge

Summary

On May 17, 2016, the Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), received a referral from the Bureau of the Fiscal Service (BFS) alleging that BFS employee [REDACTED] had been overheard masturbating in a men's room stall by numerous BFS co-worker's. (Exhibit 1)

The investigation determined that the allegation was substantiated. TOIG interviews of BFS employees as well as a confession by [REDACTED] during his interview substantiated that [REDACTED] masturbated while on duty inside a government facility.

Basis and Scope of the Investigation

On May 17, 2016, TOIG, received a referral from BFS alleging that BFS employee [REDACTED] had been overheard masturbating in a men's room stall by numerous BFS co-workers.

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

- [REDACTED] HR Specialist, BFS, Witness
- [REDACTED] Program Analyst, BFS, Witness
- [REDACTED] Accountant, BFS, Witness
- [REDACTED], Supervisor, BFS, Witness
- [REDACTED], [REDACTED] BFS, Subject

Investigative Activity

In an interview with TOIG, [REDACTED] HR Specialist, BFS, stated that she received a telephone call from [REDACTED] Information Technology, BFS. [REDACTED] related that two of her male employees had overheard a male masturbating in the men's restroom on the fourth floor of the BFS Third Street building in Parkersburg, WV. [REDACTED] told [REDACTED] that the employees were [REDACTED] and [REDACTED]

[REDACTED] stated that she interviewed witnesses [REDACTED] and [REDACTED] who both stated that they had heard another male masturbating in the stall of the [REDACTED] room and that this subject wore brown shoes with a distinctive orange ring around the sole of the shoe. [REDACTED] stated that one of the witnesses observed the subject outside of the restroom wearing the shoes that were observed under the restroom stall door. The subject was identified as [REDACTED]

[REDACTED] stated that she interviewed [REDACTED] regarding this incident and that [REDACTED] admitted to masturbating in the stall while at work. [REDACTED] stated that [REDACTED] denied watching any pornographic videos, but did admit to watching YouTube videos and looking at Facebook videos.

[REDACTED] stated that she turned her whole file which contained all of her notes and original statements provided by the witnesses and the subject over to the Office of Security, however, neither her office nor the Office of Security could locate any information on this complaint. [REDACTED] stated that [REDACTED] had three prior incidents in his file. (Exhibit 2)

In an interview with TOIG, [REDACTED] Accountant, BFS, stated that he recalls during the time frame of April or May of 2016, he entered the men's room on the fourth floor of the BFS Third Street building in Parkersburg, WV. [REDACTED] stated that there are four stalls in the men's room and that he entered one of the stalls and overheard noises coming from a stall approximately two or three down from his stall. [REDACTED] stated that he heard the sounds of what he believed to be a man masturbating and heavy breathing.

Report of Investigation

Case Name: [REDACTED]

Case # BFS-17-0031-I

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[REDACTED] stated that as he was exiting the restroom he observed that the man was wearing casual brown shoes with an orange ring around the sole of the shoe. [REDACTED] stated that he later observed an individual wearing the same shoes outside of the restroom and identified the individual as BFS employee [REDACTED]

[REDACTED] stated that he went back to his desk and told a female co-worker about what he had heard and that co-worker subsequently told her Supervisor [REDACTED]. [REDACTED] notified BFS Human Resources about the incident. [REDACTED] stated that he overheard this individual on at least four occasions masturbating in the restroom stall. (Exhibit 3)

In an interview with TOIG, [REDACTED], Program Analyst, BFS, stated that he recalls that sometime during the last year, he entered the men's room on the fourth floor of the BFS Third Street building in Parkersburg, WV. [REDACTED] stated that he entered the restroom and overheard video noises coming from a stall. [REDACTED] stated that he was in a stall a few stalls down from the other person and heard the sounds of a wrist watch going up and down of someone's arm, which [REDACTED] believed to be a man masturbating. [REDACTED] stated that he observed that the man was wearing shoes with an orange on them. [REDACTED] stated that he later identified the individual as BFS employee [REDACTED] however, he has never spoken to the man. [REDACTED] stated that he went back to his desk and told a female co-worker [REDACTED] about what he had heard and that [REDACTED] subsequently told her Supervisor [REDACTED]. [REDACTED] notified BFS Human Resources about the incident. [REDACTED] stated that he overheard this individual on two separate occasions masturbating in the restroom stall. (Exhibit 4)

In an interview with TOIG [REDACTED], BFS, stated that he has been treated for an enlarged prostate since 2011 and that he had laser surgery on his prostate in 2013. [REDACTED] stated that he has been on medication to help reduce the inflammation of his enlarged prostate and that he was advised by his Doctor, [REDACTED], to perform a massage of his prostate in order to relieve the swelling in his prostate which would allow him to urinate. [REDACTED] stated that he has had difficulty urinating since 2014.

[REDACTED] stated that Dr. [REDACTED] recently had a heart attack and was the only Doctor in his medical practice and retrieving records or a note from [REDACTED] has been difficult. [REDACTED] stated that when he was interviewed by BFS Human Resources, he admitted to masturbating rather than share his medical history with them. [REDACTED] stated that he is currently being treated by Dr. [REDACTED] of [REDACTED] Associates, Parkersburg, WV.

[REDACTED] admitted to masturbating in the stall while at work, but stated that it was medically necessary to help him urinate. [REDACTED] denied watching any pornographic videos, but did admit to watching YouTube videos and looking at Facebook videos. [REDACTED] stated that he spoke with an Equal Employment Opportunity Counselor, [REDACTED], and requested reasonable accommodation from BFS, however, [REDACTED] has a job position that does not permit telework

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Report of Investigation

Case Name: [REDACTED]

Case # BFS-17-0031-I

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because he physically has to be in the building to do his job making images of bonds. TOIG also learned that there are no individual bathrooms within the BFS facility so that [REDACTED] could use the restroom in a private setting and not be exposed to other BFS employees. [REDACTED] stated that his former Supervisor [REDACTED] was aware of his medical condition, however, his current Supervisor Ms. [REDACTED] has taken over for [REDACTED] and [REDACTED] has not spoken to her about his medical issues. (Exhibit 5)

In an interview with TOIG, [REDACTED] Supervisor, BFS, stated that she was [REDACTED]'s Supervisor for approximately ten years until [REDACTED]. [REDACTED] stated that his current Supervisor is Ms. [REDACTED]. TOIG asked [REDACTED] if she was aware of any medical conditions that [REDACTED] may have that he shared with her as his Supervisor. [REDACTED] stated that she was aware that [REDACTED] had back and prostate issues. [REDACTED] stated that she did not share this information with [REDACTED] and would encourage [REDACTED] to share it on his own. (Exhibit 6)

Referrals

N/A

Judicial Action

N/A

Findings

The investigation determined that the allegation was substantiated. TOIG interviews of BFS employees as well as a confession by [REDACTED] during his interview substantiated that [REDACTED] masturbated while on duty inside a government facility.

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

- 5 CFR 735.203 Conduct Prejudicial to the Government
- 31 CFR 0.210 Conduct while on Official Duty or Government Property

Distribution

David Ambrose, Chief of Security, Bureau of the Fiscal Service

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Report of Investigation

Case Name: [REDACTED]

Case # BFS-17-0031-I

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Signatures

Case Agent:

[REDACTED]

12/6/16
Date

Supervisor:

[REDACTED]

12/13/16
Date

Anthony J. Scott

Report of Investigation

Case Name: [REDACTED]

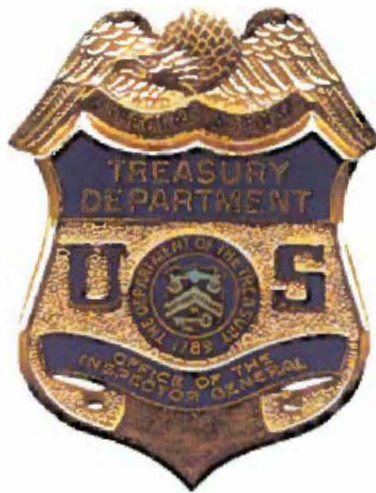
Case # BFS-17-0031-I

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Exhibits

1. Complaint letter from [REDACTED] [REDACTED] BFS, dated May 17, 2016.
2. Memorandum of Activity, Interview of [REDACTED], dated November 8, 2016.
3. Memorandum of Activity, Interview of [REDACTED], dated November 8, 2016.
4. Memorandum of Activity, Interview of [REDACTED] dated November 8, 2016.
5. Memorandum of Activity, Interview of [REDACTED] dated November 8, 2016.
6. Memorandum of Activity, Interview of [REDACTED] dated November 8, 2016.

REPORT OF INVESTIGATION
OCC-16-0672-I



Office of Inspector General

United States Department of the Treasury



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



Report of Investigation

Case Title: [REDACTED]
Benefits Analyst
Office of the Comptroller of the
Currency
NB-05

Case #: DO-16-0672-I
Case Type: Criminal
Administrative X
Civil

Investigation Initiated: January 26, 2016

Conducted by: [REDACTED]
Special Agent

Investigation Completed: MAR 25 2016

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

Origin: Office of the Comptroller of the
Currency

Summary

An investigation was initiated by the Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), after being notified on January 19, 2016, by the Office of the Comptroller of the Currency (OCC) that OCC Benefits Analyst [REDACTED] had emailed a spreadsheet containing OCC employee Personally Identifiable Information (PII) to his personal email account.

TOIG's investigation substantiated that [REDACTED] emailed a spreadsheet containing OCC employee PII to his personal email account. The investigation concluded that this action was inadvertent. On January 13, 2016, [REDACTED] received an email from an OCC employee that he later forwarded to his personal email account. That email had two spreadsheets and another email attached to it. [REDACTED] opened the spreadsheets, but did not access the attached email. He forwarded the email and all its attachments to his personal email account so that he could work on it at home. The attached email had the spreadsheet which contained OCC employee PII on it. TOIG interviewed [REDACTED] reviewed his home computers, his personal email account, his OCC user profile, email header information for the six months preceding the incident and full email from the week prior to the incident. Although OCC-related emails were located, there was no indication that [REDACTED] had attempted to exfiltrate PII or sensitive OCC information.

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Basis and Scope of the Investigation

An investigation was initiated on January 26, 2016, based upon notification by the OCC that [REDACTED] had emailed a spreadsheet containing OCC employee PII to his personal email account. (Exhibit 1)

During the course of the investigation, and interview was conducted with:

- [REDACTED], OCC Benefits Analyst

In addition, TOIG reviewed pertinent documents, including:

- [REDACTED]'s personal computers
- [REDACTED]'s personal email account
- [REDACTED]'s OCC user profile and log files
- Email header information for the six months preceding the incident
- Full email from the week prior to the incident.

Investigative Activity

In an interview with TOIG, [REDACTED] admitted that he emailed OCC employee PII to his personal email account [REDACTED]@gmail.com) but stressed that he did not do so intentionally. [REDACTED] explained that earlier in the day (Wednesday, January 13, 2016) he had received an email with a benefits question that he needed to conduct some research to answer. The email had two spreadsheets and an email attached to it. [REDACTED] opened the spreadsheets (which did not contain PII), but did not access the attached email. He forwarded the email and all its attachments to his personal email account so that he could work on it at home. [REDACTED] did not work on the email that evening.

On the following day (January 14, 2016), [REDACTED] was informed by OCC security that he had emailed out PII. [REDACTED] more closely reviewed the email, the attached spreadsheets and the attached email, which had a spreadsheet attached to it. The spreadsheet attached to the attached email contained the OCC employee SSNs. When [REDACTED] discovered this he immediately informed his supervisor and that night deleted the email from his gmail inbox and trash, actions which he documented in writing via email to his supervisor. [REDACTED] acknowledged that he had in the past sent OCC work product to his personal email account to work on after hours, but stated that he never emailed PII or sensitive information and never used a USB flash drive to transfer information. (Exhibit 2)

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During the forensic review of [REDACTED]'s personal computers, TOIG located multiple files that [REDACTED] acknowledged were OCC work documents, none of which contained PII. Those files were deleted, the Windows Recycle Bin emptied and the hard drive defragmented to prevent recovery of the files. TOIG then accessed [REDACTED]'s gmail account and searched for all emails with the email address "@occ.treas.gov." Multiple emails were located and reviewed and none of the emails and attachments contained OCC employee PII. The emails were deleted and the gmail trash was emptied. TOIG located a second computer that [REDACTED] explained that it would not boot. TOIG was able to access the computer's hard drive and searched for files containing OCC material and/or PII. File date and time metadata indicated that the computer had been used prior to [REDACTED]'s joining the OCC in 2015 and not since. TOIG also reviewed a 16GB USB thumb drive and no OCC files were located on the thumb drive. (Exhibit 3)

TOIG conducted a forensic review of a logical copy of the [REDACTED]'s user profile directory on his OCC-issued laptop, the event logs from the same laptop, a spreadsheet with header information for the last six months of [REDACTED]'s email and a copy of all the email [REDACTED] sent between January 10 and January 15, 2016. No evidence of additional exfiltration of PII was located. (Exhibit 4)

TOIG confirmed that the OCC Information Security and Privacy Awareness Training completed by [REDACTED] on July 23, 2015, contained information on what Personally Identifiable Information (PII) is, the need to protect it, including using encrypted email. (Exhibit 5)

Referrals

N/A

Judicial Action

N/A

Findings

TOIG's investigation substantiated that [REDACTED] unintentionally emailed PII to his personal email account. No evidence to suggest that this incident was anything other than an isolated event was located.

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:

- OCC Policy on Appropriate Use of OCC Information Technology

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Report of Investigation

Case Name: [REDACTED]

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- OCC Policy on General Standards and Prohibited Uses of OCC Information Technology

Distribution

[REDACTED], Director, Enterprise Governance, OCC

Signatures

Case Agent:

[REDACTED]

[REDACTED]
Special Agent

2/29/16
Date

[REDACTED]

[REDACTED]

[REDACTED] S. Marshall
Special Agent in Charge

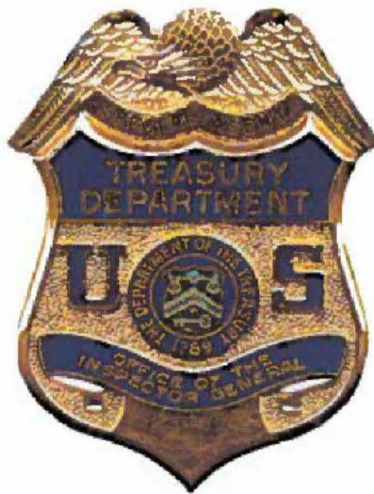
23 MARCH 2016
Date

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Exhibits

1. Initial Complaint Document, dated January 15, 2016.
2. Memorandum of Activity, Interview of [REDACTED], dated February 4, 2016.
3. Memorandum of Activity, Home Computer Forensic Review, dated February 4, 2016.
4. Memorandum of Activity, OCC Evidence Forensic Review, dated February 24, 2016.
5. Memorandum of Activity, [REDACTED] Training Review, dated February 24, 2016.

**REPORT OF INVESTIGATION
OCC-16-2596-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]
Licensing Specialist
Office of the Comptroller of the
Currency

Case #: OCC-16-2596-I
Case Type: Criminal
Administrative X
Civil

Investigation Initiated: August 16, 2016

Conducted by: [REDACTED]
Special Agent

Investigation Completed: OCT 25 2016

Approved by: Anthony J. Scott
Special Agent in Charge

Origin: Office of the Comptroller of the
Currency

Summary

In July 2016, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations, (TOIG) initiated an investigation regarding the alleged disclosure of sensitive bank information by an Office of the Comptroller of The Currency (OCC) employee or employees to a National Treasury Employee Union (NTEU) representative, [REDACTED]

The investigation determined that the allegation was substantiated. TOIG found that OCC employees [REDACTED] Bank Information Technology Specialist, and [REDACTED] Licensing Specialist, had email communication regarding JP Morgan Chase (JPMC) Bank office spaces with [REDACTED] following a union arbitration with OCC management. It was also found that [REDACTED] provided the document "Midtown Exit Plan Update" to [REDACTED] via a photograph from her personal cellular telephone and a subsequent e-mail. [REDACTED] and [REDACTED] both stated that they have had training in the disclosure and dissemination of bank information, but did not believe the information to be bank sensitive.

On August 16, 2016, TOIG presented the facts of this case to Assistant United States Attorney [REDACTED] United States Attorney's Office, Southern District of New York. [REDACTED] declined prosecution in lieu of administrative remedies.

Basis and Scope of the Investigation

In July 2016, TOIG initiated an investigation regarding an alleged disclosure of sensitive bank information by one or more OCC employees to a union representative. OCC believed the document reflecting the reorganization of bank offices and personnel was sensitive bank information. (Exhibit 1)

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

- [REDACTED], Privacy Program Manager, OCC
- [REDACTED]
- [REDACTED] National Field Representative, NTEU
- [REDACTED] Bank Information Technology Specialist, OCC
- [REDACTED], National Bank Examiner, OCC
- [REDACTED] Licensing Specialist, OCC

In addition, TOIG reviewed pertinent documents, including:

- Emails of [REDACTED]
- Emails of [REDACTED]

Investigative Activity

In an interview with TOIG, [REDACTED] stated that the OCC has informed bank examiners that they must move from the JPMC bank office space in New York City, NY because the JPMC office was under renovation. The employees at the site were not pleased with this situation and contacted the NTEU for assistance in the matter. The matter went before arbitration on July 11, 2016. On July 12, 2016, [REDACTED] sent a screenshot to [REDACTED], Attorney, Office of the Chief Counsel, OCC, stating that OCC management made misstatements to OCC employees at the arbitration hearing regarding the move because JPMC was going to still occupy the space. The screenshot reflected that JPMC would remain in some of the midtown New York sites. OCC indicated that this is sensitive bank information and that an OCC employee provided this document to [REDACTED]. [REDACTED] was not certain which employee may have made this disclosure, but surmised that it probably was an OCC union steward. (Exhibit 2)

In an interview with TOIG, [REDACTED] stated that bank examiners are often given office space by banks for the OCC bank examiners to complete their work on that bank. JPMC in New York City, NY also provided space for OCC bank examiners. She was not certain how long JPMC had offered this space. In September 2015, OCC employees had to leave former JPMC office space because JPMC was performing some renovations and office moves in their NY offices. OCC employees complained to OCC management that the new spaces were small cubicles with short walls that did not offer adequate privacy. They complained that the new space was

inferior to their former spaces and wanted OCC to purchase larger, taller cubicles and add a changing room or "quiet room." [REDACTED] stated that OCC does not like to advise the banks on space accommodations or alter bank's office spaces. Also, OCC management had been informed by JPMC that this new space was only temporary and that OCC would have to move again in 2017. [REDACTED] did not believe that OCC management knew about the 2017 move until after the OCC employees moved. The OCC employees and management took this matter before the Federal Service Impasses Panel, but the panel suggested private arbitration between parties.

On July 11, 2016, OCC management met with OCC employees and a private arbitrator - [REDACTED] in OCC's NY office. Present were:

[REDACTED], Examiner in Charge of JPMC, NY
[REDACTED], Senior Corporate Real Estate Specialist, OCC
[REDACTED], Senior Deputy Comptroller, OCC, DC
[REDACTED], OCC, NY
[REDACTED], OCC, NY
[REDACTED], OCC, NY
[REDACTED] NTEU representative

The following day, [REDACTED] sent [REDACTED] an email with a screenshot showing JPMC real estate which reflected that at least one of the JPMC offices appeared to remain open. [REDACTED] said that she believes [REDACTED] is implying that OCC management misspoke or lied to OCC employees about the need to move again in 2017. [REDACTED] did not speak to [REDACTED] about the email except to respond by email and advise him not to disseminate the screenshot information further. [REDACTED] stated that there will be an arbitration ruling in the fall. (Exhibit 3)

In an interview with TOIG, [REDACTED] confirmed that he represented the OCC bank examiners at the JPMC office space in New York City, NY. He also confirmed that there was an arbitration on Monday, July 11, 2016, regarding an office move. During that meeting, OCC management made statements regarding the need for OCC bank examiners to move office space. He later obtained information that contradicted information stated by OCC management during the arbitration meeting. The following day, on July 12, 2016, he sent this information to [REDACTED] who represented OCC management at the meeting.

[REDACTED] stated that he would not provide to TOIG how he received the information he sent to [REDACTED], or who provided him with the information. He stated that he represents the OCC employees and will not provide the name of the information provider because it would violate a union trust. He added that he was not required to speak with TOIG, and that he would answer no more questions without an attorney. (Exhibit 4)

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In a review of email documents of OCC employees [REDACTED], [REDACTED] and [REDACTED] for the time frame of July 11-12, 2016, TOIG found that [REDACTED] had no contact with [REDACTED] during this time period from her OCC email address. The records showed [REDACTED] sent an email to [REDACTED] on July 12, 2016, at 1:15 PM with a screenshot showing JPMC's "Midtown Exit Plan Update" which is the same document sent by [REDACTED] to [REDACTED] on July 12, 2016, at 1:40 PM. The records also showed emails between [REDACTED] and [REDACTED] titled "rumor mill" regarding the JPMC move dated July 12, 2016. (Exhibit 5)

In an interview with TOIG, [REDACTED] stated that he has been employed with the OCC since 2011. He previously was employed with the Office of Thrift Supervision for 14 years. [REDACTED] stated that he is also a union steward for the NTEU.

According to [REDACTED] in the Fall of 2016, the OCC employees had to move to a new office space within JP Morgan Chase bank office space in New York City, NY because JPMC was under office renovation. The employees at the site were not pleased with this move and contacted the NTEU for assistance in the matter. Specifically, the new space did not have offices or cubicles. It was set up with multiple desks in a bullpen fashion making it difficult for employees to work undisturbed. The space also did not have a "quiet room". These amenities were required per union contract. The matter went before an arbitration on July 11, 2016, and [REDACTED] spoke at the meeting. [REDACTED] was also in attendance. [REDACTED] recalled OCC management arguing during the meeting that OCC employees should not be concerned with their current office space because OCC would be moving again in six months.

After the meeting, [REDACTED] stated that he had several emails with [REDACTED] Licensing Specialist, OCC and NTEU Chapter 299 President regarding the arbitration. [REDACTED] was shown an email with the subject "rumor mill" between [REDACTED] and [REDACTED] dated July 12, 2016. [REDACTED] stated that he did write and respond to these emails. [REDACTED] was shown a document entitled "Midtown Exit Plan Update" which appears to be a picture of a document or a screenshot. [REDACTED] believes that this document was sent to him by [REDACTED], National Bank Examiner, OCC, via email. [REDACTED] did not send this document to [REDACTED] or [REDACTED] and does not know how it was obtained by [REDACTED]

[REDACTED] stated that he has had training in improper dissemination of bank information, and did not believe discussing JPMC's possible moves with [REDACTED] was sensitive bank information or improper. (Exhibit 6)

In an interview with TOIG, [REDACTED] stated that he has been employed with the OCC since 1993, and is employed in the oversight group of JPMC in New York, NY. He stated that in the Fall of 2016, the OCC employees had to move to a new office space within JPMC office space in New York City, NY because JPMC was under office renovation. The OCC employees at the site were not pleased with this move and contacted the NTEU for assistance in the matter.

Specifically, the new space did not have offices or large cubicles. The matter went before private arbitration between OCC employees and OCC management on July 11, 2016.

At the same time, the JPMC's Directors Risk and Policy Committee provided a document entitled "NYC Metro Real Estate-Midtown Exit Plan Update" to OCC employees as part of the OCC oversight function. [REDACTED] and many OCC employees received this document. [REDACTED] was not certain if he sent it to [REDACTED]. [REDACTED] stated he may have sent the document, but assumed that [REDACTED] would have received it directly from JPMC as [REDACTED] had. [REDACTED] stated the information in the document had minimal information, but was bank sensitive and should not have been released outside the OCC. [REDACTED] was not aware that it had been released outside the OCC to the NTEU. [REDACTED] added that he believes the arguments the OCC and the NTEU are making regarding the space are unrealistic. He agreed that the union agreement requires certain amenities, but stated that the space is on Park Avenue, is provided by the bank, and is "very nice". (Exhibit 7)

In an interview with TOIG, [REDACTED] stated that she has been employed with the OCC for 42 years. She is a Licensing Specialist in New York, NY, and is also a Chapter President of the NTEU.

[REDACTED] stated in the Fall of 2016, the approximately 80 OCC employees had to move to a new office space within JPMC office space in New York City, NY. The OCC employees at the site were not pleased with this move and contacted the NTEU for assistance in the matter. Specifically, the new space did not have offices or cubicles similar to their former space, and did not offer quiet, private workspace. [REDACTED] believed that OCC management could have altered the space, but did not want to "step on the toes" of JPMC or pay for the alterations.

[REDACTED] added the matter went before private arbitration on July 11, 2016. During the meeting, OCC management informed the employees in attendance that OCC would be moving to different JPMC space within six months. Following the meeting, OCC employees obtained information that OCC may not be moving to different JPMC office space. TOIG showed [REDACTED] a document entitled "Midtown Exit Plan Update." She stated that she had seen the document and believed she had received it from [REDACTED]. She was then shown the email sent from her to [REDACTED] on July 12, 2016, with this document as an attachment. She stated that she may have sent the e-mail regarding the JPMC move to [REDACTED] or replied to an email from him, but she was not certain. She was also shown emails between her, [REDACTED] and [REDACTED] with the subject "rumor mill" dated July 12, 2016. She stated that she did write and respond to these emails.

[REDACTED] stated that she has had training in improper dissemination of bank information, and did not believe discussing JPMC's possible moves with [REDACTED] was sensitive bank information or improper. (Exhibit 8)

Report of Investigation

Case Name: [REDACTED]

Case # OCC-16-2596-I

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[Agent's Note: OCC provided a cellular telephone number of [REDACTED] from which a photograph of the JPMC document "Midtown Exit Plan Update" was taken. TOIG called this number following the interview and found it belonged to [REDACTED]

Referrals

On August 16, 2016, TOIG presented the facts of this case to Assistant United States Attorney [REDACTED] United States Attorney's Office, Southern District of New York. [REDACTED] declined prosecution in lieu of administrative remedies. (Exhibit 9)

Judicial Action

NA

Findings

The investigation determined that the allegation was substantiated. TOIG found that OCC employees [REDACTED] and [REDACTED] had email communication regarding a JPMC Bank move with [REDACTED] following a union arbitration with OCC management. It was also found that [REDACTED] provided the document "Midtown Exit Plan Update" to [REDACTED] via a photograph from her personal cellular telephone and a subsequent e-mail. Both stated that they had training in improper dissemination of bank information, but neither believed the information provided to and discussed with [REDACTED] to be sensitive bank information.

Distribution

Thomas Melo, Director, Enterprise Governance, OCC

Signatures

Case Agent:

[REDACTED] [REDACTED]

[REDACTED]

Supervisor:

[REDACTED]

10/7/16
Date

Report of Investigation

Case Name: [REDACTED]

Case # OCC-16-2596-I

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Exhibits

1. Complaint dated July 14, 2016.
2. Memorandum of Activity, Interview of [REDACTED], Privacy Program Manager, OCC, dated July 28, 2016.
3. Memorandum of Activity, Interview of [REDACTED], Attorney, OCC, dated July 29, 2016.
4. Memorandum of Activity, Interview of [REDACTED] National Field Representative, NTEU, dated August 4, 2016.
5. Memorandum of Activity, Review of emails, dated August 16, 2016.
6. Memorandum of Activity, Interview of [REDACTED] Bank Information Technology Specialist, OCC, dated August 19, 2016.
7. Memorandum of Activity, Interview of [REDACTED], National Bank Examiner, OCC, dated August 23, 2016.
8. Memorandum of Activity, Interview of [REDACTED] [REDACTED] Licensing Specialist, OCC, dated August 23, 2016.
9. Memorandum of Activity, Case presentation to U.S. Attorney's Office, Southern District of NY, dated August 16, 2016.

REPORT OF INVESTIGATION
BEP-16-1003-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]
Police Corporal
Bureau of Engraving and Printing
Washington, DC

Case #: BEP-16-1003-I

Case Type: Criminal
Administrative ☒
Civil ☐

Investigation Initiated: February 24, 2016

Conducted by: [REDACTED]
Investigator

Investigation Completed: DEC 20 2016

Origin: [REDACTED], Manager
Security and Investigations Division
Office of Security
Bureau of Engraving and Printing

Approved by: Anthony J. Scott
Special Agent in Charge

Summary

On February 24, 2015, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), initiated an investigation based on information received from the Bureau of Engraving and Printing (BEP) that BEP employee [REDACTED] may have made false statements to Metropolitan Police Department (MPD) and possessed an unregistered can of Oleoresin Capsicum (OC) spray during an altercation with a civilian while off-duty.

The investigation determined that the allegation is unsubstantiated. DC Code requires that: Businesses in the District of Columbia are required to notify the MPD of any sale of self-defense spray by submitting a completed registration form to the MPD's Firearms Registration Section. Any legal self-defense spray acquired outside the District of Columbia does not have to be registered with the MPD's Firearms Registration Section. [REDACTED] claims to have purchased the OC spray in Maryland and TOIG found no evidence to contradict his claim.

Report of Investigation

Case Name: [REDACTED]

Case # BEP-16-1003-I

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Basis and Scope of the Investigation

On February 24, 2015, TOIG, initiated an investigation based on information received from the BEP that [REDACTED] may have made false statements to the MPD and possessed an unregistered can of OC spray during an altercation with a civilian while off-duty. (Exhibit 1)

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

- [REDACTED], General Manager, Maryland Small Arms Range
- [REDACTED], Customer Service Representative, Safariland, LLC
- [REDACTED], Senior Training Instructor, BEP
- [REDACTED] Police Officer, BEP

In addition, TOIG reviewed pertinent documents, including:

- BEP Police General Orders (GO) 901 Use of Force
- BEP Police General Orders (GO) 1102 Uniform and Equipment
- BEP Police Training OC Spray issue log
- Metropolitan DC Police Incident Report CCN# 15204724
- D.C. Official Code § 7-2502.13

Investigative Activity

In an interview with TOIG, [REDACTED], General Manager, Maryland Small Arms Range, stated that he recalls speaking to two individuals from the Treasury regarding this matter and that he told the individuals that his company does not track their products by serial numbers unless they are a firearm. [REDACTED] stated that all of their items are placed into inventory by a Stock Keeping Unit (SKU) number for each item and this is how they track their products. [REDACTED] stated that if TOIG knew of a method of payment and a purchase date, then he may be able to track the purchase that way, however, if it was a cash purchase there would be no record of the individual who purchased the item.

[REDACTED] provided TOIG with the contact information for the Manufacturer of the OC spray which was 1st Defense, Def-Tek which is owned by Safariland LLC, 307-235-2136. [REDACTED] suggested that TOIG contact Safariland directly to obtain where the OC spray was shipped to. (Exhibit 2)

In an interview with TOIG, [REDACTED], Senior Training Instructor, BEP, stated that the OC spray the BEP carries is rotated out every four years and that she orders the number of canisters for the department through Red Diamond Police Supply. [REDACTED] stated that the canisters are shipped 25 to a box and the shipping invoice does not provide the lot number or serial number of each individual canister. [REDACTED] stated that she writes down the serial number when she issues the canister to each employee upon exchange of the old canister. [REDACTED] stated that since the

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Report of Investigation

Case Name: [REDACTED]

Case # BEP-16-1003-I

Page 3 of 6

incident involving an off duty officer using OC spray she is now recording all of the serial numbers of the canisters in BEP inventory. [REDACTED] stated that no officer could purchase any of the old BEP canisters for personal use and that the canisters are destroyed if they are outdated or expired. (Exhibit 3)

In an interview with TOIG, [REDACTED], Customer Service Representative, Safariland, LLC, was provided with the following information regarding the OC spray canister [REDACTED] used during the altercation: First Defense - Defense Technology MK-3 (DA), MFG: 2014, Lot: OC947, Serial: F3C252747, Possible Retailers: Maryland Small Arms Range and Red Diamond Police Supply. [REDACTED] stated that she would research the information and attempt to determine where the canister of OC spray was shipped.

In a subsequent email to TOIG, [REDACTED] stated that she was unable to determine where the single canister of OC spray was shipped to, since they do not track their inventory by each canister number. [REDACTED] did confirm that both Red Diamond and Maryland Small Arms Range both received shipments of the MK-3 product. (Exhibit 4)

In an interview with TOIG, [REDACTED] Police Officer, BEP, stated that on the night in question he was leaving his mother's residence and confronted a white male who appeared to be tampering with [REDACTED] s mothers vehicle. [REDACTED] identified himself as a police officer and ordered the subject away from the vehicle. [REDACTED] stated that the subject appeared to hear him, however he did not comply with his commands.

[REDACTED] went to his vehicle and retrieved a canister of OC spray that he had purchased from Maryland Small Arms Range in Upper Marlboro, MD. [REDACTED] stated that the subject came towards him in a threatening manner, so [REDACTED] deployed his personally owned OC spray at the subject. [REDACTED] had already asked his mother to notify the Washington, DC Metropolitan Police Department (MPD) when the incident began.

[REDACTED] stated that MPD responded and wrote a report and placed the subject in the rear of an MPD cruiser, however, the subject was later released without charges by MPD. [REDACTED] stated that he disposed of the canister of OC spray because it was empty after he used it on the subject. [REDACTED] stated that he did not use any BEP equipment during this altercation and that he reported the incident to his Supervisor in a timely manner. (Exhibit 5)

Referrals

N/A

Judicial Action

N/A

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Findings

The investigation determined that the allegation is unsubstantiated. DC Code requires that: Businesses in the District of Columbia are required to notify the MPD of any sale of self-defense spray by submitting a completed registration form to the MPD's Firearms Registration Section. Any legal self-defense spray acquired outside the District of Columbia does not have to be registered with the MPD's Firearms Registration Section. [REDACTED] claims to have purchased the OC spray in Maryland and TOIG found no evidence to contradict his claim.

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

N/A

Distribution

Richard A. Cestero, Supervisory Criminal Investigator, BEP

Report of Investigation

Case Name: [REDACTED]

Case # BEP-16-1003-I

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Signatures

Case Agent:

[REDACTED]

12/5/16
Date

[REDACTED]
Anthony J. Scott

12/13/16
Date

Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # BEP-16-1003-I

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Exhibits

1. Complaint letter from [REDACTED] BEP, dated February 19, 2016.
2. Memorandum of Activity, Interview of [REDACTED] dated May 10, 2016.
3. Memorandum of Activity, Interview of, [REDACTED] dated May 12, 2016.
4. Memorandum of Activity, Interview of [REDACTED] dated May 12, 2016.
5. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated September 8, 2016.

REPORT OF INVESTIGATION
BFS-13-0244-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] et al. (Jomayra
Tax Services)
Postal Carrier
United States Postal Service

Case Type: Criminal X
Administrative
Civil

Investigation Initiated: December 31, 2012

Conducted by: [REDACTED]
Special Agent

Investigation Completed: MAY 09 2016

Approved by: Jerry S. Marshall
DAIG

Origin: United States Postal Inspection
Service

Case #: BFS-13-0244-I

Summary

In November 2012, The Department of the Treasury, Office of the Inspector General, Office of Investigations (TOIG), was contacted by the United States Postal Inspection Service (USPIS) requesting assistance in a joint check fraud investigation regarding fraudulent tax refund checks discovered at the Manassas, VA Post Office. Further investigation determined that these checks were sent as a result of fraudulent tax returns generated by Electronic Filing Numbers (EFIN) assigned to Jomayra Tax Services, Bronx, NY. (Exhibit 1)

The investigation determined that the allegations were substantiated. In April 2013, arrest warrants were issued for and executed on five subjects. One subject was charged through a statement of charges, two subjects were subsequently charged through a criminal information, and two subjects were subsequently indicted. The five subjects pled guilty to various charges and prosecutors declined to prosecute a sixth defendant.

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Report of Investigation

Case Name: [REDACTED] et al. (Jomayra Tax Services)

Case # BFS-13-0244-I

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Basis and Scope of the Investigation

In November 2012, TOIG was contacted by the USPIS requesting assistance in a joint check fraud investigation regarding fraudulent tax return Treasury checks that were returned to the United States Postal Service (USPS). The USPIS received over 100 unopened U.S. Treasury checks in the Manassas, VA area that were returned by homeowners who informed the USPS that the names on the checks did not match residents at the addresses. TOIG's investigation discovered that \$5.6 million in U.S. Treasury checks had been issued to Social Security numbers (SSNs) related to the same type of scheme as identified in the Manassas, VA checks. Further investigation revealed that all of the tax returns were generated by Electronic Filing Numbers (EFIN) assigned to Jomayra Tax Services (Jomayra), located in the Bronx, NY. TOIG and the Internal Revenue Service's (IRS), Scheme Development Center determined that over \$400 million in fraudulent tax return claims, which resulted in over \$64 million in disbursements, were associated with EFINs related to Jomayra Tax Services. This investigation determined that the subjects were involved in a scheme where fraudulent tax returns were filed using Puerto Rican SSNs. Checks related to the Jomayra EFIN surfaced in states spanning the east coast and as far west as Texas.

Due to an extensive ongoing investigation by the IRS-CI, regarding the New York aspect of this case, TOIG, in partnership with the United States Postal Service, Office of Inspector General (USPS-OIG) focused on the Manassas, VA, aspect surrounding a USPS carrier. TOIG and the USPS-OIG's analysis of the checks addressed to Manassas, VA identified a suspicious mail route belonging to USPS Postal Carrier [REDACTED]

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

- [REDACTED] Special Agent, Virginia Department of Taxation
- [REDACTED] Organization of American States, Washington, DC
- [REDACTED] Postal Carrier, USPS, Manassas, VA
- [REDACTED], Mail Supervisor, Organization of American States, Washington, DC
- [REDACTED], Postal Carrier, USPS, Manassas, VA
- [REDACTED] Manager, USPS, Falmouth Branch, Fredericksburg, VA
- [REDACTED] private citizen

In addition, TOIG reviewed pertinent documents, including:

- USPIS spreadsheet of returned Manassas, VA checks.
- Virginia Department of Taxation spreadsheet.
- Bureau of the Fiscal Service (BFS) spreadsheet of related U.S. Treasury checks.
- [REDACTED] bank records.

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Report of Investigation

Case Name: [REDACTED] et al. (Jomayra Tax Services)

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Investigative Activity

In November 2012, TOIG was contacted by the USPIS requesting assistance in a joint check fraud investigation regarding fraudulent tax returns after numerous Treasury checks had been returned to the Manassas, VA Post Office. Further investigation determined that the returned checks were issued as a result of fraudulent tax returns filed by EFINs assigned to Jomayra Tax Services, Bronx, NY.

This investigation involved an ongoing pattern of criminal conduct related to the filing of tax returns containing false information using Puerto Rican Social Security Numbers (SSNs). The tax refunds requested from the false return result in the issuance of a check drawn on the U.S. Treasury. Checks related to this EFIN surfaced in states spanning the east coast and as far west as Texas.

TOIG received approximately 110 U.S. Treasury checks from USPIS after the checks were returned to the post office. The checks were returned by residents because the check addressee did not live at the address, or the address did not exist. One set of approximately 100 returned checks was from the Kingstowne, VA Post Office, and the other set of approximately 10 checks was from the Manassas, VA Post Office. In addition, approximately 10 pieces of mail correspondence from the Internal Revenue Service were returned to the Manassas Post Office. USPIS reported that SSNs on the checks appeared to be actual SSNs associated with people in Puerto Rico. (Exhibit 2)

The Virginia Department of Taxation (VADOT) provided information pertaining to the Treasury checks that were returned to the United States Post Office in Manassas, VA. VADOT produced a spreadsheet that included the names, addresses, Social Security numbers, tax preparer name, tax preparer address, and internet protocol (IP) address that were used to submit state tax returns to the VADOT. The spreadsheet included information for over 1,800 tax returns filed that the VADOT believes to be fraudulent returns. All of the tax returns were prepared by Jomayra Tax Services. (Exhibits 3-5)

TOIG received a spreadsheet from the Bureau of the Fiscal Service (BFS) with a list of all checks issued to the SSNs listed on the Manassas returned mail spreadsheet from the VADOT. The BFS spreadsheet listed 965 checks totaling over \$5.6 million. (Exhibit 6)

TOIG and IRS-CI conducted extensive research via the Treasury Check Information System (TCIS) and through the IRS Scheme Development Center. Investigative research revealed over \$400 million in fraudulent tax return claims, resulting in over \$64 million in disbursements associated with EFINs related to Jomayra Tax Services.

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Report of Investigation

Case Name: [REDACTED] et al. (Jomayra Tax Services)

Case # BFS-13-0244-1

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TOIG and USPS researched the list of checks delivered to Manassas, VA and determined that the addresses were confined to carrier routes CO32 and CO34 based out of the Manassas Main Post Office located on Sudley Road in Manassas, VA. Of the 14 street names, 11 were serviced by route CO32. A discussion with the Manassas Postmaster revealed that the carrier, [REDACTED] had carried that route for approximately two years until it was taken over by another senior carrier in February 2013. Based on the initial spreadsheet, 280 checks were mailed to addresses within a small geographic area in Manassas, VA, all located within close proximity to each other. Of the 280 checks, 190 were sent to addresses that were either invalid or nonexistent and should have been removed by the postal carrier from the mail stream and not delivered. (Exhibit 7)

TOIG assisted in the execution of five arrest warrants on Betancourt, Rodriguez, Maximo Pena, Miguel Pena, and Ozuna Garcia. All of the individuals were identified as being associated in the cashing of Jomayra Tax Service fraudulent checks in Bronx, NY. (Exhibits 8-12)

In an interview with TOIG, IRS-CI, and USPS, [REDACTED] Postal Carrier, USPS, Manassas, VA, said that she had been approached by an individual asking if she would deliver them mail if the mail had the wrong address on it. [REDACTED] reported that a Hispanic male, thought to be named "Ricardo", told her that a friend of his sent mail to Stream Walk Lane instead of his address on Coverstone Drive. Ricardo asked if he could still get the mail. TOIG determined through investigation that addresses on Stream Walk and Coverstone had tax refunds checks issued to and cashed for addresses that don't exist. [REDACTED] asked if Ricardo had identification, but he said he left it at home. [REDACTED] told him that she didn't have any mail for him. [REDACTED] said that there are no residences on Stream Walk Lane, only businesses. She did not know why he would be expecting anything at the Stream Walk Lane addresses. (Exhibit 13)

TOIG, and IRS-CI, received information from Experian, TransUnion, and Equifax for the credit report for [REDACTED] and Arlington Community Federal Credit Union for any and all account information for [REDACTED]. TOIG's review of the information revealed nothing significant related to unexplained financial transactions or deposits. (Exhibits 14-16)

In an interview with TOIG, Postal-IG, and IRS-CI, [REDACTED] Postal Carrier, USPS, stated that he had been employed by the USPS for approximately eight or nine years, and that he had only performed the job function of carrier. [REDACTED] advised that he had been properly trained by the Postal Service, as a part-time and full-time employee, regarding the appropriate execution of his job functions. [REDACTED] confirmed being familiar with routes 32 and 34, the routes that the government checks in question were addressed. [REDACTED] stated that if a piece of mail on his route was undeliverable due to the name being incorrect and/or the address not existing, he was to bring that mail back to the Post Office and turn it over to a supervisor, which he claims he did. [REDACTED] stated that this had been the procedure the entire time he had been employed by the Postal Service. [REDACTED] recalled instances when he was delivering mail on his route and observed mail pieces appearing to be government checks that were undeliverable. [REDACTED] stated that he brought

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Report of Investigation

Case Name: [REDACTED] et al. (Jomayra Tax Services)

Case # BFS-13-0244-I

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the undeliverable mail back to the Post Office and handed it to either [REDACTED] or [REDACTED]'s supervisors. [REDACTED] stated that he was not part of a scheme involving the theft of Treasury checks from the mail. [REDACTED] advised that he has never been approached by anyone requesting that he engage in the theft of Treasury checks from the mail. [REDACTED] stated that he is willing to voluntarily participate in a polygraph examination. (Exhibit 17)

Referrals

On April 3, 2013, the case against Betancourt, Rodriguez, Maximo Pena, Miguel Pena, and Ozuna Garcia was presented to [REDACTED] Assistant United States Attorney (AUSA), United States Attorney's Office, Southern District, New York (USAO-SDNY). [REDACTED] advised that his office would accept the case for prosecution. (Exhibits 18-22)

On March 11, 2015, the case against USPS Mail Carrier [REDACTED] was presented to [REDACTED] AUSA, Eastern District of Virginia. AUSA [REDACTED] declined prosecution due to insufficient evidence. (Exhibit 23)

Judicial Action

On April 25, 2013, TOIG and IRS-CI arrested Rodriguez based on a warrant for violations of Title 18 USC § 286 Conspiracy to Defraud the Government using false claims, 18 USC § 641 Theft of Public Money, and 18 USC § 1028(A) Aggravated Identity Theft. On July 24, 2013, Rodriguez was indicted in U.S. District Court for the Southern District of New York for violations of 18 USC § 286 Conspiracy to Defraud the Government using false claims, 18 USC § 641 Theft of Public Money, and 18 USC § 1028A Aggravated Identity Theft. On October 17, 2013, Rodriguez pled guilty to violation of 18 USC § 286 Conspiracy to defraud the Government, 18 USC § 641 Theft of Government money, and 18 USC § 1028(A) Aggravated identity theft. On May 7, 2014, Rodriguez was sentenced to 40 months' incarceration, 24 months' probation, and ordered to pay \$1,289,519.41 restitution, and a \$300 court assessment. (Exhibits 24-27)

On April 25, 2013, TOIG and IRS-CI arrested Jose Armando Ozuna Garcia, based on a warrant for violations of Title 18 USC § 286 Conspiracy to Defraud the Government using false claims, 18 USC § 641 Theft of Public Money, and 18 USC § 1028(A), Aggravated Identity Theft. On July 24, 2013, Ozuna Garcia was indicted in U.S. District Court for the Southern District of New York for violation of 18 USC § 286 Conspiracy to Defraud the Government using false claims, 18 USC § 641 Theft of Public Money, and 18 USC § 1028(A) Aggravated Identity Theft. On October 17, 2013, Ozuna Garcia, pled guilty to violation of 18 USC § 286 Conspiracy to Defraud the Government using false claims, 18 USC § 641 Theft of Public Money, and 18 USC § 1028(A) Aggravated Identity Theft. On May 7, 2014, Ozuna Garcia was sentenced to 40 months' incarceration, and ordered to pay \$1,289,519.41 restitution, and a \$300 assessment. (Exhibits 28-31)

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Report of Investigation

Case Name: [REDACTED] et al. (Jomayra Tax Services)

Case # BFS-13-0244-I

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On April 25, 2013, TOIG and IRS-CI arrested Maximo A. Pena based on a warrant for violation of Title 18 USC § 286 Conspiracy to Defraud the Government using false claims, 18 USC § 641, Theft of Public Money, and 18 USC § 1028(A) Aggravated Identity Theft. On August 7, 2013, an information was filed on Maximo Pena in U.S. District Court for the Southern District of New York for violation of 18 USC § 286 Conspiracy to Defraud the Government using false claims, 18 USC § 641 Theft of Public Money, and 18 USC § 1028(A) Aggravated Identity Theft. On August 7, 2013, Maximo Pena pled guilty to violation of 18 USC § 286 Conspiracy to Defraud the Government using false claims, 18 USC § 641 Theft of Public Money, and 18 USC § 1028(A) Aggravated Identity Theft. On April 16, 2014, Maximo Pena was sentenced to 30 months' incarceration and ordered to pay a \$300 assessment. (Exhibits 32-35)

On April 25, 2013, TOIG and IRS-CI arrested Miguel R. Pena based on a warrant for violation of Title 18 USC § 286 Conspiracy to Defraud the Government using false claims, 18 USC § 641 Theft of Public Money, and 18 USC § 1028(A) Aggravated Identity Theft. On July 24, 2013, Miguel R. Pena was indicted in U.S. District Court for the Southern District of New York for violation of 18 USC § 286 Conspiracy to Defraud the Government using false claims, and 18 USC § 641 Theft of Public Money. On January 31, 2014, Miguel R. Pena pled guilty to violation of 18 USC § 641 Theft of Public Money. On October 10, 2014, Miguel R. Pena was sentenced to 6 months' incarceration, 1 year of probation, and ordered to pay \$150,285 restitution, and a \$100 fine. (Exhibits 36-39)

On April 25, 2013, TOIG and IRS-CI arrested Alexis Betancourt based on a warrant for violation of Title 18 USC § 286 Conspiracy to Defraud the Government using false claims, 18 USC § 641 Theft of Public Money, and 18 USC 1028(A) Aggravated Identity Theft. On August 5, 2013, an information was filed on Betancourt in U.S. District Court for the Southern District of New York for violation of 18 USC § 286 Conspiracy to Defraud the Government using false claims, 18 USC § 641 Theft of Public Money, 18 USC § 1028(A) Aggravated Identity Theft, 18 USC § 1344 Bank Fraud, and 18 USC § 2314 Transportation of Stolen Money. On August 5, 2013, Betancourt pled guilty to violation of 18 USC § 286 Conspiracy to Defraud the Government using false claims, 18 USC § 641 Theft of Public Money, 18 USC § 1028(A) Aggravated Identity Theft, 18 USC § 1344 Bank Fraud, and 18 USC § 2314 Transportation of Stolen Money. On October 15, 2014, Betancourt was sentenced to 15 months' incarceration, 3 years' probation, and ordered to pay \$952,000 restitution and a \$500 court assessment. (Exhibit 40-43)

Findings

The investigation determined that the allegations were substantiated. Rodriguez, Maximo Antonio Pena, Miguel Pena, Betancourt, and Ozuna Garcia, took part in a scheme where fraudulent checks were cashed after being initiated by Jomayra Tax Service.

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Report of Investigation

Case Name: [REDACTED] et al. (Jomayra Tax Services)

Case # BFS-13-0244-I

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Distribution

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

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Report of Investigation

Case Name: [REDACTED] et al. (Jomayra Tax Services)

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Signatures

Case Agent: [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

5/2/16
Date

Supervisor:

[REDACTED]

Jerry S. Marshall

8 May 2016
Date

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Report of Investigation

Case Name: [REDACTED] et al. (Jomayra Tax Services)

Case # BFS-13-0244-I

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Exhibits

1. Lead Initiation, dated November 14, 2012.
2. Memorandum of Activity, USPIS spreadsheet obtained, dated November 9, 2012.
3. Memorandum of Activity, dated November 21, 2012.
4. Memorandum of Activity, dated December 4, 2012.
5. Memorandum of Activity, dated December 6, 2012.
6. Memorandum of Activity, BFS spreadsheet, dated February 11, 2013.
7. Memorandum of Activity, USPIS address analysis, dated March 12, 2013.
8. Memorandum of Activity, Arrest warrant for Merlin Rodriguez, dated April 24, 2013.
9. Memorandum of Activity, Arrest warrant for Maximo Antonio Pena, dated April 24, 2013.
10. Memorandum of Activity, Arrest warrant for Miguel Pena, dated April 24, 2013.
11. Memorandum of Activity, Arrest warrant for Alexis Betancourt, dated April 24, 2013.
12. Memorandum of Activity, Arrest warrant for Jose Armando Ozuna Garcia, dated April 24, 2013.
13. Memorandum of Activity, Interview of [REDACTED] dated May 3, 2013.
14. Memorandum of Activity, Subpoenas obtained, dated May 6, 2013.
15. Memorandum of Activity, Subpoenas served, dated June 11, 2013.
16. Memorandum of Activity, Subpoenas reviewed, dated June 11, 2013.
17. Memorandum of Activity, Interview of [REDACTED] dated March 24, 2014.
18. Memorandum of Activity, Criminal referral Betancourt, dated May 10, 2013.
19. Memorandum of Activity, Criminal referral Ozuna Garcia, dated May 10, 2013.

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Report of Investigation

Case Name: [REDACTED] et al. (Jomayra Tax Services)

Case # BFS-13-0244-I

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20. Memorandum of Activity, Criminal referral Maximo Pena, dated May 10, 2013.
21. Memorandum of Activity, Criminal referral Miguel Pena, dated May 10, 2013.
22. Memorandum of Activity, Criminal referral Rodriguez, dated May 10, 2013.
23. Memorandum of Activity, Criminal referral [REDACTED] dated September 30, 2015.
24. Memorandum of Activity, Arrest warrant executed-Rodriguez, dated April 25, 2013.
25. Memorandum of Activity, Indictment Rodriguez, dated October 22, 2015.
26. Memorandum of Activity, Judicial-Plea Rodriguez, dated November 30, 2015.
27. Memorandum of Activity, Sentencing-Rodriguez, dated October 22, 2015.
28. Memorandum of Activity, Arrest warrant executed-Ozuna Garcia, dated April 25, 2013.
29. Memorandum of Activity, Indictment Ozuna Garcia, dated October 22, 2015.
30. Memorandum of Activity, Judicial-Plea Ozuna Garcia, dated November 30, 2015.
31. Memorandum of Activity, Sentencing-Ozuna Garcia, dated October 22, 2015.
32. Memorandum of Activity, Arrest warrant executed-Maximo Pena, dated April 25, 2013.
33. Memorandum of Activity, Information Maximo Pena, dated October 22, 2015.
34. Memorandum of Activity, Judicial-Plea Maximo Pena, dated November 30, 2013.
35. Memorandum of Activity, Sentencing-Maximo Pena, dated October 22, 2015.
36. Memorandum of Activity, Arrest warrant executed-Miguel Pena, dated April 25, 2013.
37. Memorandum of Activity, Indictment-Miguel Pena, dated October 22, 2015.
38. Memorandum of Activity, Judicial-Plea Miguel Pena, dated November 30, 2015.
39. Memorandum of Activity, Sentencing-Miguel Pena, dated October 22, 2015.
40. Memorandum of Activity, Arrest warrant executed Betancourt, dated April 25, 2013.

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Report of Investigation

Case Name: [REDACTED] et al. (Jomayra Tax Services)

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- 41. Memorandum of Activity, Information-Betancourt, dated October 22, 2015.
- 42. Memorandum of Activity, Judicial-Plea Betancourt, dated November 30, 2015.
- 43. Memorandum of Activity, Sentencing-Betancourt, dated October 22, 2015.

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REPORT OF INVESTIGATION
BFS-15-1198-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]
Program Manager
Bureau of the Fiscal Service
GS-15

Case #: BFS-15-1198-I

Case Type: Criminal _____
Administrative X
Civil _____

Investigation Initiated: March 16, 2015

Investigation Completed: AUG 19 2015

Conducted by: [REDACTED]
Investigator

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

Approved by: Jerry S. Marshall
Special Agent in Charge

Summary

On March 13, 2015, the Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), received a referral from the Bureau of the Fiscal Service (BFS) alleging that BFS employee [REDACTED] used a DVD converter and decryption software to save movies and television shows onto his BFS issued computer.

The investigation determined that the allegation of misusing government IT equipment was substantiated. TOIG's analysis of [REDACTED] BFS issued computer recovered thousands of video files and 180 pornographic still images. In an interview with TOIG, [REDACTED] confessed to viewing pornography on his BFS issued computer during government work time. The remaining allegation of downloading pirated software was unsubstantiated.

TOIG presented this matter for criminal prosecution to the United States Attorney's Office in the District of Maryland and it was declined.

Report of Investigation

Case Name: [REDACTED]

Case # BFS-15-1198-I

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Basis and Scope of the Investigation

On March 13, 2015, TOIG received a referral from BFS alleging that BFS employee [REDACTED] had approximately 1,714 files on his BFS issued computer that were movies and television shows saved using a DVD converter and decrypted software. The activity was as recent as March 11, 2015 during [REDACTED] working hours in a BFS facility. (Exhibit 1)

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

- [REDACTED], IT Specialist, BFS, Witness
- [REDACTED] Director, Investment & Control Division, BFS, Subject

In addition, TOIG reviewed pertinent documents, including:

- BFS video files and pornographic video files retrieved from [REDACTED] computer hardrive
- BFS Computer Banner Warning & On-line IT Training Completion

Investigative Activity

TOIG retrieved from BFS a Central Processing Unit (CPU), Serial #1LQHTJ1, Model #DCSM, which is property of BFS that was issued to [REDACTED] TOIG also retrieved an external hard drive, Serial #WX81A61A9728, owned by [REDACTED] These items were obtained in order to conduct a forensic examination of the contents. TOIG conducted a forensic examination of the recovered CPU and external hard drive and discovered 180 pornographic images on [REDACTED] BFS issued computer and an additional 3 photographs of naked women on his personal external hardrive. (Exhibit 2)

In an interview with TOIG, [REDACTED] admitted to viewing pornography on his Government issued computer and also admitted to viewing similar images on more than one occasion while on government time. [REDACTED] did not admit to downloading pirated software and stated that IT Administrator [REDACTED] placed it on his government computer for him. (Exhibit 3)

In an interview with TOIG, [REDACTED] advised that both the Nero and Win DVD software were purchased by BFS and were part of the software bundle that arrived with the purchase of new computers. [REDACTED] stated that he believed [REDACTED] was using the software for official government work and did not question [REDACTED] about it. [REDACTED] stated that [REDACTED] did not have a BFS issued external hardrive issued to him and that [REDACTED] should not have attached his personal hardrive to his BFS computer without having it configured by BFS IT personnel. [REDACTED] stated that this was part of the BFS IT Policy Training for 2015. [REDACTED] stated that he does not believe that [REDACTED] requested that his personal hardrive be encrypted and was not aware that [REDACTED] was downloading DVD's and movies for personal use. (Exhibit 4)

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Referrals

On May 15, 2015, TOIG presented this matter for criminal prosecution to the USAO for the District of Maryland. On June 7, 2015, Assistant United States Attorney (AUSA) [REDACTED] notified TOIG that this case did not meet the prosecutorial threshold and that TOIG should pursue this matter administratively. (Exhibit 5)

Judicial Action

N/A

Findings

The investigation determined that the allegation of misusing government IT equipment was substantiated. TOIG analysis of [REDACTED] BFS issued computer recovered thousands of video files and 180 pornographic still images from pornographic videos. [REDACTED] confessed to viewing pornography on his government issued computer during work hours. The allegation of downloading pirated software was unsubstantiated.

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

- Bureau of the Fiscal Service IT Systems Rules of Behavior
- Treasury Directive 87-04, Personal Use of Government Information Technology Resources
- 5 CFR 735.203 Conduct Prejudicial to the Government
- 31 CFR 0.210 Conduct while on Official Duty or Government Property

Distribution

David Ambrose, Chief of Security, Bureau of the Fiscal Service

Report of Investigation

Case Name: [REDACTED]

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Signatures

Case Agent:

[REDACTED]

8/4/15
Date

Supervisor:

[REDACTED]
Jerry S. Marshall

5 AUG 2015
Date

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Exhibits

1. Complaint letter from David Ambrose, Chief of Security, BFS, dated March 12, 2015.
2. Memorandums of Activity, Case presentation for prosecution AUSA [REDACTED] dated June 15, 2015.
3. Memorandum of Activity, Forensic Examination of [REDACTED]'s BFS computer and external hard drive, dated April 24, 2015
4. Memorandum of Activity, Interview of [REDACTED] dated July 2, 2015 and transcripts.
5. Memorandum of Activity, Interview of [REDACTED] dated July 7, 2015.



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



Report of Investigation

Case Title: [REDACTED]
[REDACTED] The Executive Office
for Asset Forfeiture
Departmental Offices
Executive Series

Case #: DO-15-0016-I

Case Type: Criminal _____
Administrative X
Civil _____

Conducted by: [REDACTED]
Investigator

Investigation Initiated: October 7, 2014

Approved by: Jerry S. [REDACTED]
Special Agent in Charge

Investigation Completed:

Origin: Anonymous Complainant(s)
Departmental Offices

Summary

The U.S. Department of the Treasury, Office of the Inspector General, Office of Investigations (TOIG), received numerous anonymous complaints from The Executive Office for Asset Forfeiture (TEOAF), Departmental Offices (DO) that [REDACTED] TEOAF, consistently uses profanity towards his employees, berates employees in front of other employees and outsiders, slams doors and pounds on desks and walls, and generally creates a hostile work environment within the offices of TEOAF. (Exhibit 1)

The investigation determined that the allegation was substantiated. TOIG conducted multiple interviews of current and former TEOAF employees that corroborated [REDACTED] inappropriate behavior. [REDACTED] admission to having outbursts in the office and acting inappropriately by cursing and screaming at employees while in a government workplace further substantiates the allegation.

[Investigative Note: Harassment is unwelcome conduct that is based on race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information. Harassment becomes unlawful where 1) enduring the offensive conduct becomes a condition of continued employment, or 2) the conduct is severe or pervasive enough to create a work environment that a reasonable person would consider intimidating, hostile, or abusive].

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Basis and Scope of the Investigation

Between May 2014 and September 2014, TOIG received four anonymous complaints alleging that [REDACTED] TEOAF, consistently berates and bullies his Assistant [REDACTED]. [REDACTED] shows no respect to his staff, and laces his conversation with profanity creating a hostile work environment.

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

- Confidential Sources CS#1 - CS#9 (Names withheld for fear of retaliation)
- [REDACTED] Operations Specialist , U.S. Secret Service - Witness
- [REDACTED] Senior Advisor, TEOAF - Witness
- [REDACTED] Assistant [REDACTED] TEOAF - Witness
- [REDACTED] Former Analyst, TEOAF - Witness
- [REDACTED] Program Analyst, TEOAF - Witness
- [REDACTED] Program Analyst, TEOAF - Witness
- [REDACTED] Assistant [REDACTED] TEOAF - Witness
- [REDACTED] Legal Counsel, DO - Witness
- [REDACTED] Contractor, TEOAF - Witness
- [REDACTED] Acting [REDACTED] TEOAF - Witness
- [REDACTED] Assistant Secretary for Terrorist Financing - Witness
- [REDACTED] TEOAF - Subject

In addition, TOIG reviewed pertinent documents, including:

- N/A

Investigative Activity

In an interview with TOIG, a confidential source of information hereafter referred to as CS1 stated that they fear for their career and their safety by reporting [REDACTED] behavior, however, they are concerned that [REDACTED] behavior is escalating to the point that he is becoming violent. CS1 has worked at TEOAF for many years. During this time [REDACTED] has displayed outbursts of rage with employees. [REDACTED] will scream the "F" word at employees and has reduced his Assistant [REDACTED] [REDACTED] to tears on a daily basis.

CS1 stated that it is common knowledge around the office that [REDACTED] is to be avoided when he is in a bad mood. [REDACTED] outbursts have been consistent over the past ten years, however, his tirades have become more frequent over the past two or three years. [REDACTED] not afraid to show that he is angry or upset and he does not care who is present when he blows up at employees. [REDACTED] actions are so common place that other TEOAF employees just continue on with their work as if nothing is happening. CS1 stated that [REDACTED] usually berates his female

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employees since they are less likely to stand up to his attacks and that ██████ recently became so unhinged at an unnamed employee that it "sounded like a shotgun was fired in TEOAF office space." CS1 stated that the sound was ██████ slamming the office door of an employee so hard that employees didn't know whether to evacuate the building or call the police for an active shooter. It wasn't until a few moments later when CS1 heard ██████ screaming at the employee and pounding on the employee's desk that they realized that it was just another rant by ██████ and not an emergency.

CS1 stated that ██████ is a micro-manager and has to deal with all issues himself and will not rely on his teams to deal with issues that arise. These actions cause ██████ to confront employees directly instead of notifying the employee's supervisor of the issue and allow them to deal with the employee. ██████ confronts the employees in front of everyone and curses them out in front of the entire staff. ██████ is belittling and makes employees feel stupid and inadequate. (Exhibit 2)

In an interview with TOIG, CS2 stated that on the first day of employment at TEOAF they were advised by two senior staff members behind closed doors on the way things are at TEOAF and to make sure that they do not take the verbal abuse from ██████ as personal, as it's just the way he is. These two staffers advised CS2 to remain calm and quiet throughout whatever happens during ██████ tirades.

CS2 stated that office personnel are regularly subjected to fear and intimidation by ██████ which has caused undue stress on employees. Some of the employees are suffering stress related health difficulties due to the toxic atmosphere of the work place. This has completely crushed the morale of the office and has led several employees to seek employment elsewhere.

CS2 stated that ██████ is well known to be vindictive and employees are reluctant to report his actions for fear of retribution. A previous TEOAF employee, ██████ reported ██████ to TOIG for mishandling classified documents. ██████ regularly remarked to TEOAF staff that it was his goal to make ██████ "unemployable" so that "he could never show his face in this city again." ██████ eventually found employment elsewhere. CS2 stated that if ██████ retains his position with TEOAF after the TOIG investigation there is no doubt that ██████ will implement a "scorched earth policy" taking out every employee that he believes spoke to TOIG against him. [Investigative Note: TOIG Report of Investigation DO-12-0526-I confirms that ██████ made allegations against ██████]

CS2 stated that the office runs inefficiently and there is constant fear of scheduling meetings or pointing out problems or mistakes as it could lead to an employee or coworker being victimized by ██████. Employees often have to make difficult decisions between acting on prior instructions or carrying out seemingly bizarre orders screamed by ██████ during a fit of rage. If an employee chooses the wrong course of action or dares ask for clarification from ██████ the employee exposes themselves to another bout of screaming and wall punching.

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CS2 stated that all creativity and innovation in the office has been completely squashed by the pervasive atmosphere of fear at TEOAF. Most employees prefer to fly under the radar as much as possible avoiding [REDACTED] at all cost. CS2 related a recent tirade by [REDACTED] in August 2014. [REDACTED] ran into an unnamed employee's office and was screaming at the top of his voice. [REDACTED] was red faced and blotchy and almost gasping for air. [REDACTED] slammed the employee's office door so hard that it sounded as if a gun had been fired in the building. [REDACTED] punched and kicked at the walls of the employee's office and screamed "I will fucking take all of their fucking money away." [REDACTED] told the employee "fuck you" and you can tell them to "go fuck themselves."

[REDACTED] actions caused employees to fear that the office was under attack. CS2 stated that [REDACTED] was later observed berating Assistant [REDACTED] [REDACTED] in her office and yelled at her for approximately ten minutes in a loud voice that could be overheard throughout the entire floor of the office space. CS2 stated that a common trigger for [REDACTED] is the office calendar. [REDACTED] does not want certain items put on the calendar because then there is a paper trail record of meetings that he does not want known. CS2 stated an example of this is when [REDACTED] blew up at a staff member for placing an interview of a potential hire on the calendar. This hire is a college friend of [REDACTED] son named [REDACTED]. [REDACTED] was a direct hire by [REDACTED] and [REDACTED] did not want his name on the calendar because [REDACTED] did not go through the normal hiring process.

CS2 stated that [REDACTED] also makes inappropriate comments such as "take so and so out back and shoot them please" or "can I throw so and so out of the window now?" CS2 believes [REDACTED] is joking, however, his behavior has become more volatile recently and safety has become a concern among TEOAF staffers. CS2 has personally witnessed [REDACTED] punch and kick the walls on over 50 separate instances. (Exhibit 3)

In an interview with TOIG, CS3 stated that On October 6, 2014, [REDACTED] ordered the entire seventh floor of TEOAF to leave their work spaces and exit the building. CS3 stated that [REDACTED] ordered approximately six employees to leave the building for 15 to 20 minutes so that [REDACTED] could have a "conversation" with [REDACTED] regarding a Justice Department notification on the Equitable Sharing Program (ESP). [REDACTED] was screaming at [REDACTED] and stuck his head out of the door and told everyone to take a walk. CS3 stated that the employees walked around the outside of the building until it was clear to reenter the facility. CS3 stated it is hard to get any work done in this type of environment. (Exhibit 4)

In an interview with TOIG, [REDACTED] stated that he has been a Senior Advisor with TEOAF since June 2013, but works for DO Office of General Counsel (GC). [REDACTED] was employed as TEOAF's Legal Counsel from 1993 to 2007. [REDACTED] left TEOAF and became the Legal Counsel for FinCEN from 2007 until June 2013. [REDACTED] stated that he knows [REDACTED] and all of the TEOAF employees very well. [REDACTED] stated that he wrote most of the policies and procedures and helped build TEOAF from the ground up.

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[REDACTED] stated that since his return in June 2013, he has observed [REDACTED] outbursts a few times, however, they appear to be increasing in frequency lately and in the last month appear to occur daily. [REDACTED] stated that most of [REDACTED] outbursts are directed at [REDACTED] [REDACTED] has observed [REDACTED] doors, using profanity, sweating and screaming.

[REDACTED] stated that [REDACTED] never yelled at him personally until Monday October 6, 2014. [REDACTED] stated [REDACTED] along with [REDACTED] came into his office on the seventh floor of TEOAF and [REDACTED] began shouting and raving about TEOAF staff and how [REDACTED] was upset with Legal Counsel [REDACTED] and the ESP Program Analyst, [REDACTED] [REDACTED] opened [REDACTED] door and stuck his head out and ordered all the employees on the floor to take a walk around the building then [REDACTED] continued to yell.

[REDACTED] stated that [REDACTED] gives conflicting directions and TEOAF employees are afraid of him and don't want to get berated by [REDACTED] so no one dares ask for clarification to his directions. [REDACTED] believes that part of [REDACTED] stress comes from the fact that he is a micro-manager and is involved in too many day to day problems. [REDACTED] is also being pressured externally to appropriate funds. [REDACTED] stated that [REDACTED] internalizes all his problems and refuses to share issues with his staff which may also account for his outbursts.

[REDACTED] stated that he is aware of a recent incident where [REDACTED] was attempting to hire a current TEOAF Schedule A employee for a permanent position at TEOAF. This employee was not referred by DO Human Resources. [REDACTED] cancelled the announcement rather than hire an unqualified veteran for the position. (Exhibit 5)

In a second interview with TOIG, CS3 stated that on October 6, 2014, [REDACTED] stated in a loud voice in front of numerous employees and contractors to "round up all the attorneys I'm going to shoot them." CS3 stated that [REDACTED] referred to [REDACTED] DO Legal Counsel as a "bitch and a traitor" due to a disagreement [REDACTED] had with her legal opinion on an issue. CS3 stated this was the same day that [REDACTED] cleared the entire seventh floor of TEOAF.

CS3 stated that many of the employees were so concerned with [REDACTED] behavior that they wanted DO Human Resources to conduct training at TEOAF regarding Shelter in Place and Active Shooter Training.

CS3 stated that [REDACTED] is very volatile and that during a meeting [REDACTED] became so enraged that he threw a folder at [REDACTED], who managed to duck out of the way to avoid being struck. [REDACTED] is also vindictive and retaliatory. CS3 stated that after former employee [REDACTED] reported [REDACTED] to the TOIG, [REDACTED] wanted to fire [REDACTED] and "crush him."

CS3 stated that [REDACTED] will not fill vacancies at TEOAF with veterans, because he does not trust them. [REDACTED] will hire individuals as Schedule A employees or term employees as a way to get around hiring veterans who are at the top of the certification list. [REDACTED] has let certification

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lists expire rather than hire veterans at the top of the lists. [REDACTED] hired a college friend of his son's as a Schedule A employee.

CS3 stated that the TEOAF fund is running with a shortfall of funds this year and that TEOAF contracts need to be funded first. [REDACTED] funds many Treasury programs that are not directly funded such as computer infrastructure, and this could be contributing to [REDACTED] stress.

CS3 stated that [REDACTED] was called on the carpet by Treasury Officials regarding the ESP. [REDACTED] responded that he will "cut off the recipients of the funds" and not fund their projects past December 2014. CS3 stated that "if you piss [REDACTED] off he will cut your throat." (Exhibit 4)

In an interview with TOIG, [REDACTED] stated that she is a DO employee with the GC, but is assigned to TEOAF. [REDACTED] has been a Treasury employee for the past 13 years. [REDACTED] stated that on October 6, 2014, [REDACTED] appeared in her office, he was clearly agitated and his face was purple. [REDACTED] accused her of being a spy for DO and said that she was a bad lawyer and a tattle-tale. [REDACTED] told her that he was going to send an e-mail to her supervisors and let them know that she didn't understand the ESP and does not know what she is doing. [REDACTED] stated that [REDACTED] was upset with her because she gave legal advice that he did not like. [REDACTED] returned to her office around 5:30 PM that same day with a copy of a scathing e-mail that he was going to send to DO GC regarding [REDACTED] is unaware whether [REDACTED] actually sent the e-mail or not. [REDACTED] stated that she has observed [REDACTED] on numerous occasions become angry with other TEOAF employees but this was the first time she had been on the receiving end of his wrath.

[REDACTED] stated on October 7, 2014, she attended a meeting regarding the ESP with five TEOAF employees including [REDACTED] and an Immigration and Customs Enforcement (ICE) Special Agent assigned as a liaison to TEOAF and a contractor. [REDACTED] stated that they never covered anything regarding the ESP because [REDACTED] blew up at her and made snide remarks about lawyers creating issues with the program to keep themselves employed. [REDACTED] stated that it is her job to make sure all things are correct with the ESP.

[REDACTED] stated that [REDACTED] has created an environment where people are afraid to collaborate with one another and that [REDACTED] Assistant [REDACTED] is like minded with [REDACTED] [REDACTED] said that even though [REDACTED] receives the brunt of [REDACTED] wrath, she is loyal to a fault and would not do or say anything against him.

[REDACTED] stated she is aware of an incident where [REDACTED] threw a folder at an employee in a meeting and almost struck the employee. [REDACTED] stated she was not present in this meeting but the employee's supervisor, [REDACTED], was present. [REDACTED] told her that the employee, [REDACTED], was almost struck with the flying folder and had to move to avoid it. [REDACTED] never reported the incident. (Exhibit 6)

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In an interview with TOIG, CS4 stated that when TEOAF was located at 740 15th St. NW Washington, DC, [REDACTED] exhibited violent behavior by throwing a chair down the hall and would scream and yell. Since being housed in TEOAF's new building at 1341 G Street NW DC, CS4 has observed [REDACTED] outbursts once or twice a week. CS4 stated that all of the TEOAF employees were used to [REDACTED] outbursts and believed that this was just normal behavior for government employees, since TEOAF management didn't seem to be concerned about the way [REDACTED] acted.

CS4 stated that on numerous occasions employees approached Assistant [REDACTED] [REDACTED] about [REDACTED] behavior and were told there was nothing [REDACTED] could do about it and told to contact DO Human Resources. CS4 stated that [REDACTED] recently entered an employee's office and slammed the door so hard that the whole office space shook. [REDACTED] was cursing and yelling "Fuck you" and pounding on the employee's desk. CS4 was in shock and feared for their safety and the safety of coworkers. CS4 has observed [REDACTED] bring Assistant [REDACTED] [REDACTED] to tears on numerous occasions and [REDACTED] behavior has caused other employees to take sick leave after being berated in front of other employees.

CS4 stated that they dread coming to work each day because "you never know [REDACTED] mood and what will happen next." CS4 is concerned that if [REDACTED] returns to work he will retaliate against whomever he believes spoke out against him. CS4 stated that [REDACTED] was already going around the office trying to find out who "stabbed [REDACTED] in the back" by reporting him. (Exhibit 7)

In an interview with TOIG, [REDACTED] stated that he was a Senior Program Analyst with TEOAF from June 2009 to November 2013. On his first day of employment at TEOAF he was advised by a senior staff member behind closed doors on the way things are at TEOAF and how [REDACTED] acts. [REDACTED] never directly incurred [REDACTED] wrath but has observed [REDACTED] bring his former Supervisor [REDACTED] to tears on at least four separate occasions.

[REDACTED] stated that other TEOAF office personnel were regularly subjected to [REDACTED] outbursts which have caused a hostile work environment and hamper operational procedures within TEOAF. [REDACTED] stated that [REDACTED] and former TEOAF employee [REDACTED] would engage in screaming matches after [REDACTED] complained to TOIG about [REDACTED] [REDACTED] then made it his mission to fire [REDACTED] and made his life miserable by transferring him to other divisions. [REDACTED] eventually obtained another position and left TEOAF. [REDACTED] recalls hearing [REDACTED] and [REDACTED] talking at a happy hour event that they were glad that [REDACTED] was gone.

[REDACTED] stated that most of the employees on the Financial and Property teams wanted to make a formal complaint against [REDACTED] however, were warned against it by [REDACTED] for fear of retribution. [REDACTED] team which was led by [REDACTED] was kept out of the loop on this because [REDACTED] "would have gone straight to [REDACTED]" and advised him what the employees were planning.

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[REDACTED] stated that [REDACTED] actions impacted the workplace and relationships with other federal agencies. [REDACTED] often complained that the other agencies that TEOAF dealt with were "idiots" and couldn't do anything right. [REDACTED] would often have to have a meeting with other agencies prior to meeting with [REDACTED] to plan a strategy to navigate [REDACTED] personality. [REDACTED] would later have to apologize to other federal agency representatives for [REDACTED] behavior during these meetings.

[REDACTED] stated that [REDACTED] surrounds himself with a high ratio of passive personalities and people who will not speak against him. [REDACTED] stated that [REDACTED] thinks [REDACTED] is a "genius" yet she is on the receiving end of his rage most often. [REDACTED] often punishes employees by moving them from desk to desk. [REDACTED] has seen this done to [REDACTED] and [REDACTED] [REDACTED] stated that it is common knowledge in TEOAF that when [REDACTED] yells an order at you to wait for 24 hours before taking any action because [REDACTED] will change his mind.

[REDACTED] stated that [REDACTED] did not like to hire veterans for positions within TEOAF. [REDACTED] would instead hire interns as Schedule A employees and would eventually convert them to permanent employees. [REDACTED] tried to hire [REDACTED] on two separate occasions but had to let the certification list die due to veterans making it to the top of the certification list.

[REDACTED] stated that TEOAF entered into a contract with Booz Allen Hamilton (BAH) where [REDACTED] friendship with former Treasury Financial Intelligence Assistant Secretary [REDACTED] (now a Principal with BAH) appeared to play a significant role and may have superseded due diligence in identifying a more appropriate vendor. In the late spring of 2010, BAH was invited to TEOAF to hear a proposal on an information technology system TEOAF was interested in developing ([REDACTED] was the project manager on this eventual contract and project). BAH recommended an existing Treasury contract vehicle TEOAF could pursue and assisted TEOAF in writing up a statement of work proposal as a white paper. No other firms or government IT professionals were consulted. [REDACTED] worked for [REDACTED] when [REDACTED] was employed at Treasury. [REDACTED] stated that after about a year-and-a-half of limited progress he consulted with Treasury IT professionals. They were of the impression that BAH was not particularly well qualified to meet TEOAF's request, nor was BAH the most cost effective vendor. The project was still incomplete at the time of [REDACTED] departure from TEOAF after spending over \$1.5 million. (Exhibit 8)

In an interview with TOIG, [REDACTED] stated that he had been an Assistant [REDACTED] with TEOAF as an Internal Revenue Service (IRS) detailed employee for a period of three years. [REDACTED] has since retired from the IRS and is currently a contractor for TEOAF. [REDACTED] has known [REDACTED] since September 2001, and knows [REDACTED] has a temper. [REDACTED] stated that in the past he was able to talk to [REDACTED] and calm him down. [REDACTED] believes that [REDACTED] current stress level may be too great to prevent his current outbursts. [REDACTED] has [REDACTED] slam the telephone down repeatedly in a fit of rage and has also been on the receiving end of [REDACTED] cursing and screaming.

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[REDACTED] stated that if [REDACTED] were to return to TEOAF, all of the employees are concerned that [REDACTED] would retaliate and try to get back at people who have crossed him or reported him. [REDACTED] has observed [REDACTED] threaten to fire people on more than one occasion and also observed [REDACTED] become so irate at a former IRS liaison to TEOAF that the IRS employee refused to come back to TEOAF to work. [REDACTED] stated that it was not unusual for TEOAF employees and others doing business with TEOAF to ask "what's [REDACTED] mood today" so they would know whether it was safe to approach [REDACTED]. [REDACTED] stated that everyone was "walking on eggshells" around [REDACTED] not wanting to present him with any issues for fear of experiencing his outbursts.

[REDACTED] stated that [REDACTED] is a "poor manager" and has not received any managerial training for this position. [REDACTED] micro-manages and refuses to delegate, which may be the source of his stress. [REDACTED] stated that [REDACTED] rules by "he who has the gold rules" because [REDACTED] controls the purse strings for so many Treasury programs, he incentivizes agencies to see things his way.

[REDACTED] stated that [REDACTED]'s violent behavior has escalated recently and everyone is concerned for their safety and "are wondering where the next chair will be thrown or door slammed or papers be thrown by [REDACTED]. [REDACTED] overheard an outburst by [REDACTED] last Monday October 6, 2014. [REDACTED] entered the office of [REDACTED] DO General Counsel and heard [REDACTED] hyperventilating and then screamed that he "didn't give a fuck what [REDACTED] says" [REDACTED] then slammed the door to [REDACTED] office. [REDACTED] then opened the office door and yelled for everyone on the seventh floor "to take a walk."

[REDACTED] stated that most of the issues in the office are created by [REDACTED] due to his lack of attention and efficiency. [REDACTED] stated that items will sit in [REDACTED]'s inbox so long, that they eventually become issues because [REDACTED] did not act on the problem sooner.

[REDACTED] indicated that [REDACTED] was trying to get rid of [REDACTED]. [REDACTED] called [REDACTED] a traitor and accused [REDACTED] of lying to TOIG during an investigation about [REDACTED]. [REDACTED] also confronted [REDACTED] regarding [REDACTED] performance evaluation. This caused another rift between [REDACTED] and [REDACTED].

[REDACTED] stated that [REDACTED] was not a fan of veterans' preferences in the hiring process. [REDACTED] said that [REDACTED] let a certification list close without making a selection rather than hire an unqualified veteran. [REDACTED] stated he never heard [REDACTED] say he would not hire veterans, but [REDACTED] did hire schedule A employees instead of hiring off of the certification list of veteran preference candidates.

[REDACTED] was asked if he was familiar with a BAH Information Technology (IT) project regarding the ESP headed by former TEOAF employee [REDACTED]. [REDACTED] stated that [REDACTED] did not care for [REDACTED] because [REDACTED] did not like having someone so smart working for him.

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[REDACTED] stated that the ESP project with BAH is still ongoing and he believes Treasury may be turning the project now. [REDACTED] believes that the problem with the ESP IT project was that [REDACTED] and [REDACTED] did not confer with the principals involved in the project to talk about the inherent problems up front. (Exhibit 9)

In an interview with TOIG, CS5 stated that [REDACTED] is under pressure and his program is under fire due to Congressional rescission. [REDACTED] also has surrounded himself with "yes men" that are beholden to him, with the exception of [REDACTED]. Assistant [REDACTED] CS5 stated that [REDACTED] will speak his mind to [REDACTED] CS5 said that the other two Assistant [REDACTED] [REDACTED] and [REDACTED] are weak managers. CS5 stated that [REDACTED] has created this environment and that both [REDACTED] and [REDACTED] are not forthcoming to [REDACTED] and refuse to give [REDACTED] an honest opinion.

CS5 has observed on numerous occasions [REDACTED] being brought to tears by [REDACTED] wrath. CS5 believes that [REDACTED] sees no problem with the way she is treated. CS5 stated that [REDACTED] is not engaged and on numerous occasions employees have approached her about [REDACTED] behavior and were told that there was nothing she could do about it and to contact DO Human Resources.

CS5 stated that this is [REDACTED] first management position and he is not prepared to lead this organization. [REDACTED] is not a good manager and is under a lot of pressure. CS5 has observed [REDACTED] behavior change dramatically over the past six or seven months. CS5 stated that [REDACTED] would often overreact to issues. CS5 stated that if [REDACTED] returns to TEOAF he will engage in a "scorched earth policy" trying to find out who reported him and to retaliate against anyone when he believes spoke out against him.

CS5 stated that DO management does not know what goes on at TEOAF because none of them have ever worked in the office. CS5 stated most of the TEOAF employees are unfamiliar with whom [REDACTED] reports to within DO. (Exhibit 10)

In an interview with TOIG, CS6 stated that they observed [REDACTED] exhibit strange behavior by slamming doors and screaming and yelling. CS6 stated [REDACTED] would become red in the face and stomp up and down the hallway. CS6 stated that they were not fearful of [REDACTED] behavior but his frequent outbursts became the joke around the office. CS6 stated that employees were concerned for [REDACTED] because he is an intelligent and good person who has issues that need to be addressed.

CS6 stated the majority of [REDACTED] wrath seemed to be directed at [REDACTED], [REDACTED] and [REDACTED] who has since retired from federal service. CS6 stated that they left TEOAF because they could no longer stand to work in that environment and "you would never know [REDACTED]'s mood from day to day." CS6 believes that if [REDACTED] returns to TEOAF he will retaliate against whomever he believes spoke out against him. (Exhibit 11)

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In an interview with TOIG, CS7 stated that they have known [REDACTED] for many years and that they have never personally been mistreated by him, however, within the last five years CS7 has noticed a dramatic change in [REDACTED] behavior. CS7 witnessed [REDACTED] screaming at [REDACTED] using the "F" word in every sentence as he yelled and degraded her for all to hear. [REDACTED] yelled at [REDACTED] for her lack of supervisory skills, called her an "idiot" and made derogatory remarks about the employees on her team. CS7 observed [REDACTED] throwing objects around [REDACTED]'s office and slamming her office door.

CS7 has observed [REDACTED] become unhinged and in the last year his behavior has become unpredictable. [REDACTED] gives conflicting instructions to employees and assignments that are not clear. [REDACTED] changes his mind often and does not complete his sentences, leaving employees to figure out what he wanted done. Employees are afraid to ask for clarification for fear of experiencing one of [REDACTED] outbursts.

CS7 stated that [REDACTED] tries to pit employees against each other, often times giving two or three employees the same assignment. CS7 said that [REDACTED] pitted [REDACTED] and [REDACTED] against each other regarding an IT contract for the ESP. CS7 advised that the IT project was doomed from the start due to the problems [REDACTED] created and the fact that no one brought all the principal users on the project together to see what they required and if it was feasible to create a software program.

CS7 stated that [REDACTED] loved to say "I love chaos" and that he loved to create chaos in the work environment. CS7 said that [REDACTED] and [REDACTED] have never received or attended any management training and lack the people skills to manage a team. CS7 advised that [REDACTED] was a great Chief Financial Officer, but indicated that he is not a good [REDACTED]

CS7 stated that employees are often hired for a specific job but are then forced to perform another job within TEOAF which is outside of their job expertise. [REDACTED] also hires people for certain programs that are not needed, while other areas in TEOAF are struggling because they do not have enough manpower. [REDACTED] recently hired a friend of his son, [REDACTED], as a Schedule A employee. CS7 stated that [REDACTED] has only hired Schedule A employees over the past five to six years at TEOAF. CS7 has never heard [REDACTED] say anything derogatory about hiring veterans and said that [REDACTED] had always used the Hamilton Program from Treasury when hiring new employees. The Hamilton Program no longer exists so [REDACTED] uses Schedule A hiring to bring on smart, young new hires.

CS7 recalls overhearing [REDACTED] state that "one of these days I'd like to bring in a gun and shoot up the place." CS7 indicated that they heard this within the last nine months. CS7 did not take [REDACTED] seriously but was concerned enough to report the incident to [REDACTED] and [REDACTED]. (Exhibit 12)

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In an interview with TOIG, CS8 stated that they have witnessed a few outbursts by [REDACTED] but never been personally mistreated by [REDACTED]. CS8 has observed [REDACTED] become upset and pull [REDACTED] aside and yell at him a few times.

CS8 was present in a meeting with [REDACTED] when [REDACTED] became irate and screamed and threw a folder across the room scattering papers everywhere. CS8 was shocked at [REDACTED] actions and did not know how to react to this unprofessional behavior. [REDACTED] screamed that "if you think we're having a problem now see what happens in six weeks if you don't spend that money." [REDACTED] was referring to a contract for enhanced security measures for the TEOAF warehouse in Riverside, CA. CS8 stated that TEOAF needed to make these upgrades to security due to numerous thefts that had occurred at the warehouse and after a TOIG report on the thefts recommended changes to the security system TEOAF was currently using.

CS8 stated that employees are worried about what will happen if [REDACTED] returns to TEOAF and indicated that [REDACTED] has been going around the office trying to find out who reported [REDACTED] to TOIG. CS8 believes [REDACTED] is reporting back to [REDACTED] on what is happening in the office. (Exhibit 13)

In an interview with TOIG, [REDACTED] stated that he was a former Program Analyst with TEOAF and left the agency a few years ago due to the work environment fostered by [REDACTED]. [REDACTED] recalls [REDACTED] and [REDACTED] supervisor, [REDACTED] entering his office and [REDACTED] yelling at him and making derogatory remarks and threatening to fire people. [REDACTED] told [REDACTED] that "you don't get to talk to me like that" and [REDACTED] walked out of his office. [REDACTED] stated that [REDACTED] continued his tirade and went into [REDACTED] office and started yelling at her. [REDACTED] said that approximately two days later he was moved from his office to a cubicle as retaliation. [REDACTED] advised that a few days after that he was approached by [REDACTED] who suggested that he take a detail to the Department of Homeland Security (DHS) Customs and Border Protection (CBP). [REDACTED] was told by [REDACTED] that she had facilitated his move to CBP in order to protect him from [REDACTED].

[REDACTED] stated that most of the TEOAF employees just put up with [REDACTED] abuse because no one in DO knows what goes on at TEOAF and [REDACTED] provides funding for many of their unfunded projects so TEOAF is basically left alone. [REDACTED] has observed [REDACTED] yelling at [REDACTED] and [REDACTED] as well as others in the office. (Exhibit 14)

In an interview with TOIG, [REDACTED] stated that she has been a Program Analyst with TEOAF for the past 14 years and has known [REDACTED] since approximately 2000. [REDACTED] believes [REDACTED] is very passionate about his work and his frustration with others results in his outbursts. [REDACTED] stated that she has never been on the receiving end of [REDACTED] cursing and screaming, however, she is familiar with the incidents where [REDACTED] has yelled and screamed at other TEOAF employees. (Exhibit 15)

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[REDACTED] recalled overhearing an exchange between [REDACTED] and [REDACTED]. [REDACTED] was in the kitchen at TEOAF across from [REDACTED]'s office and heard a loud noise and thought that part of the building had fallen when she observed [REDACTED]'s office door closed and heard [REDACTED] screaming at [REDACTED]. [REDACTED] went to [REDACTED] and asked her if she knew that [REDACTED] was yelling at [REDACTED] and [REDACTED] responded that "she knew he was." [REDACTED] did not see [REDACTED] the rest of that day but did hear him in [REDACTED] office later that day yelling at [REDACTED]. [REDACTED] stated that [REDACTED] often yelled at [REDACTED] and brought her to tears, but that [REDACTED] would then go for coffee with [REDACTED] as if nothing had happened and the outbursts did not seem to affect their working relationship.

[REDACTED] was asked if she was familiar with a BAH IT project regarding the ESP headed by former TEOAF employee [REDACTED]. [REDACTED] stated that [REDACTED] was the Project Manager on the ESP project with BAH. [REDACTED] stated that the project is still ongoing and is being run by [REDACTED] with another contracting company leading the project. [REDACTED] believes that the problem with the ESP IT project was that [REDACTED] and [REDACTED] did not confer with the principals involved in the project to talk about the inherent problems up front and that [REDACTED] did not work with the ESP and ignored [REDACTED] expertise with the program and what the requirements for ESP were. [REDACTED] stated that the BAH contract cost approximately \$2 million and never provided a working product. [REDACTED] stated the BAH contract expired and was not renewed.

[REDACTED] stated that she feels bad for [REDACTED] after he was removed from office and wishes him well. [REDACTED] stated that she does not condone how [REDACTED] dealt with his stress and said that she does not believe [REDACTED] can return to TEOAF due to his reputation in the community being damaged and the fact that he now could not be taken seriously.

In an interview with TOIG, [REDACTED] stated that he has been a government employee since 1999 and has known [REDACTED] for approximately 20 years. [REDACTED] stated that he worked with [REDACTED] at the Office of Budget until 1993, when TEOAF was created and [REDACTED] became an analyst. (Exhibit 16)

[REDACTED] stated that he has only had one occasion where [REDACTED] yelled at him and it was regarding a travel voucher. [REDACTED] said that this was the only time [REDACTED] has ever yelled at him directly. [REDACTED] has observed on numerous occasions [REDACTED] screaming at [REDACTED], [REDACTED] and [REDACTED]. [REDACTED] said that [REDACTED] will scream at anyone who allows him to get away with it. [REDACTED] said that he has seen [REDACTED] bring [REDACTED] to tears and believed that [REDACTED] enjoyed it. [REDACTED] advised that up until the day [REDACTED] was removed from the office he yelled at [REDACTED] "You do what I tell you to do." [REDACTED] believes [REDACTED] has [REDACTED] "brainwashed" and only surrounds himself with people who agree with him.

[REDACTED] stated that he recalls that [REDACTED] would order people in the office not to talk to certain individuals in the office. [REDACTED] said that [REDACTED] and [REDACTED] were guilty of this behavior and would not speak to the people [REDACTED] ordered them to ignore. [REDACTED] described an incident where he

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was speaking with [REDACTED] and [REDACTED] sent [REDACTED] into the office and had [REDACTED] leave. [REDACTED] later told [REDACTED] not to speak with [REDACTED]

[REDACTED] stated that [REDACTED] also told TEOAF employees not to speak to [REDACTED] [REDACTED] stated that when [REDACTED] was around, [REDACTED] and [REDACTED] did what [REDACTED] told them. [REDACTED] stated that after [REDACTED] had a screaming match with [REDACTED], [REDACTED] refused to speak to [REDACTED] and ordered others not to speak to [REDACTED] either.

[REDACTED] stated that [REDACTED] made some type of inappropriate comment or gesture towards a former intern [REDACTED] [REDACTED] stated he was not certain what [REDACTED] did to [REDACTED] however, afterward [REDACTED] refused to be alone with [REDACTED] and refused to sit by him in meetings. [REDACTED] stated that [REDACTED] went to TEOAF Legal Counsel [REDACTED] with her concerns. [REDACTED] stated that after [REDACTED] left TEOAF the entire staff was required to complete online training for sexual harassment. [REDACTED] stated that [REDACTED] only worked for TEOAF from June through November 2010.

[REDACTED] stated that [REDACTED] was irritated with the US Secret Service (USSS) and ordered [REDACTED] not to sign any USSS paperwork until [REDACTED] told her she could. [REDACTED] did not like the USSS forfeiture procedures so he held up their paperwork to show his displeasure. [REDACTED] stated that [REDACTED] would refuse to sign off on funding until the last minute and would make his dislike for agencies personal. [REDACTED] stated that [REDACTED] had problems with the Department of Homeland Security (DHS), Internal Revenue Service (IRS) and Immigration and Customs Enforcement (ICE). [REDACTED] stated that [REDACTED] would go after ICE with a vengeance.

[REDACTED] stated that [REDACTED] and [REDACTED] would retaliate against anyone who goes to TOIG. [REDACTED] stated that [REDACTED] was overheard stating in a meeting "who went to the IG?" [REDACTED] called the people in her office "backstabbers". [REDACTED] stated that whatever [REDACTED] tells [REDACTED] to do, she will follow his orders without question. [REDACTED] stated that since [REDACTED] departure [REDACTED] has been walking around the office in a haze unsure of what she should do. [REDACTED] stated that [REDACTED] loved to foster chaos in the office and would let work pile up on his desk for three to four weeks. [REDACTED] indicated that [REDACTED] would not have [REDACTED] sign the documents because she refused to confront [REDACTED] for any reason.

In a second interview with TOIG, [REDACTED] stated that she recalled an incident between [REDACTED] and [REDACTED] [REDACTED] stated that [REDACTED] was taking some on-line Cyber Security training and that [REDACTED] made a comment to [REDACTED] regarding why it was taking her so long and called [REDACTED] "stupid." [REDACTED] became very upset and was crying and went to [REDACTED] to relate the story. [REDACTED] stated that [REDACTED] was so distraught that she sent her home for the day, even though [REDACTED] did not work directly for [REDACTED]

[REDACTED] confronted [REDACTED] about his behavior and [REDACTED] face became purple and he yelled at [REDACTED] [REDACTED] stated that upon her return to the office [REDACTED] requested that her desk be

[REDACTED] moved away from [REDACTED] office because it was directly in front of his office. Upon seeing that [REDACTED] had moved [REDACTED] desk, [REDACTED] became enraged and began yelling at [REDACTED] for moving [REDACTED] without his permission. (Exhibit 6)

In an interview with TOIG, CS9 stated that [REDACTED] would scream obscenities in the office and yell at TEOAF employees calling them "stupid." CS9 stated they observed [REDACTED] throw things at employees and at the walls. CS9 stated that this was their first real job and they knew that this was not a normal work environment. CS9 said that they left after only a few months due to [REDACTED] outbursts and unprofessional behavior. (Exhibit 17)

In an interview with TOIG, [REDACTED] stated that she has been employed with the Treasury for the past 37 years and has worked for TEOAF since 1993. [REDACTED] has worked with [REDACTED] for many years prior to him becoming the [REDACTED] of TEOAF. (Exhibit 18)

[REDACTED] recalled only one time where she was the direct recipient of [REDACTED] wrath. [REDACTED] stated that [REDACTED] came into a former employee's [REDACTED] office along with [REDACTED] and started to curse at both [REDACTED] and [REDACTED]. [REDACTED] had been working on a project and [REDACTED] was unhappy with the progress. [REDACTED] screamed that he should write them both up. [REDACTED] stated that she reported this outburst to [REDACTED] at DO Human Resources (HR), however, nothing was ever done about [REDACTED].

[REDACTED] stated that she has been a supervisor for approximately five or six years and has an office next to [REDACTED]. When [REDACTED] becomes upset his face becomes blotchy and he stomps past her office swinging his arms and hyperventilating all the while cursing and yelling as he enters [REDACTED] office.

[REDACTED] stated that [REDACTED] and [REDACTED] suffered the worst of [REDACTED] wrath. [REDACTED] said that in the past two years, [REDACTED] recent victims were [REDACTED] and a former employee [REDACTED]. [REDACTED] stated that two employees, [REDACTED] and [REDACTED], both left TEOAF due to [REDACTED] cursing and yelling at everyone. [REDACTED] believes that [REDACTED] should have had discussions with employees behind closed doors, however, [REDACTED] did not care who overheard him berating the employees. [REDACTED] stated that TEOAF senior staff members were told by [REDACTED] lihan that [REDACTED] told her that if "he had a gun he would shoot people". [REDACTED] stated that [REDACTED] reported this to [REDACTED].

[REDACTED] stated that she has seen [REDACTED] crying in the office after [REDACTED] has berated her for something. [REDACTED] stated that [REDACTED] never said anything to anyone about [REDACTED] behavior and feels that [REDACTED] may have been too frightened to speak out against [REDACTED]. [REDACTED] stated that [REDACTED] would often complain to her about [REDACTED] and [REDACTED] contacted [REDACTED] from DO HR about [REDACTED]. [REDACTED] told [REDACTED] to have the individual employee report the mistreatment themselves since they were the aggrieved party. [REDACTED] stated that she told [REDACTED] to report [REDACTED] but [REDACTED] did not report him for fear that [REDACTED] would fire her if he found out.

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[REDACTED] stated that she was made aware of [REDACTED] outburst with [REDACTED]. [REDACTED] stated that she was told by [REDACTED] that [REDACTED] slammed the door and knocked papers off of [REDACTED]'s desk. [REDACTED] stated that [REDACTED] told her that she thought a gun had gone off in the office because the door slamming was so loud. [REDACTED] stated that she believed that somebody who supervised TEOAF had to have known about [REDACTED] behavior prior to his latest outburst, but nothing was done about it.

[REDACTED] was asked if she had any knowledge regarding an IT contract between BAH and the TEOAF ESP. [REDACTED] stated that she was aware that [REDACTED], a former Treasury official, worked for BAH and helped write the task order for the ESP IT contract. [REDACTED] stated that after 2 years and approximately \$2 million was spent, BAH was unable to produce a working IT program.

[REDACTED] was asked if she had any knowledge about the hiring practices within TEOAF. [REDACTED] stated that most of the recent hires have been Schedule A employees. One employee left to return to law school and the other was converted to a full time employee prior to the law being changed regarding converting Schedule A employees. [REDACTED] stated that most of the Schedule A employees work for [REDACTED] because she wanted recent college graduates with Masters Degrees. [REDACTED] stated that she never heard [REDACTED] say anything about not wanting to hire veterans. [REDACTED] was aware of a couple of job postings where veterans did apply; however, [REDACTED] is not aware of any Veterans being hired from the certification list.

[REDACTED] stated that a friend of [REDACTED] son ([REDACTED]) was hired on a Schedule A appointment. [REDACTED] stated [REDACTED] went to college with [REDACTED] son and was recently hired. [REDACTED] was aware that [REDACTED] screamed at [REDACTED] after [REDACTED] tried to schedule an interview for [REDACTED] and put the interview on [REDACTED] calendar. [REDACTED] is unaware of why [REDACTED] became upset over this.

[REDACTED] stated that she was working on the ninth floor and received a telephone call from Assistant [REDACTED] [REDACTED] from outside the building. [REDACTED] asked why [REDACTED] was calling from outside and [REDACTED] told her that [REDACTED] had just cleared the entire seventh floor of TEOAF to scream at [REDACTED]. [REDACTED] advised [REDACTED] to report this incident to TOIG. [REDACTED] recalled that an intern, [REDACTED] left her position early due to something inappropriate that [REDACTED] had said or done to [REDACTED]. [REDACTED] recalls that [REDACTED] was seated directly outside of [REDACTED] office and that [REDACTED] would spend a lot of time at her desk talking to her. [REDACTED] does not know if any improper behavior occurred between [REDACTED] and [REDACTED].

[REDACTED] stated that she was told by employees that after [REDACTED] was removed [REDACTED] was walking around the office trying to find out who reported [REDACTED] to TOIG. [REDACTED] stated that either [REDACTED], DO GC or the Acting [REDACTED] for TEOAF, [REDACTED], advised [REDACTED] not to ask who reported [REDACTED] or to engage in any retaliation because employees are free to report to TOIG. [REDACTED] stated that [REDACTED] is very vindictive and threatens to get back at people who do things he does

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not like. [REDACTED] believes that if [REDACTED] returns to TEOAF morale would not be good and the office would be in turmoil.

In an interview with TOIG, [REDACTED] stated that she has been employed with Treasury since 2002 and has worked with [REDACTED] since February 2003. [REDACTED] believes [REDACTED] is a very accomplished person who helped create TEOAF from the beginning. [REDACTED] stated that [REDACTED] job has created a huge amount of stress due to Congressional rescission and the government sequestration. [REDACTED] believes [REDACTED] suffers from depression and may be taking medication for this problem. [REDACTED] stated that she hopes that he will seek treatment and deserves a vacation away from the stresses of his job.

[REDACTED] denied that she tried to find out who in the office was responsible for reporting [REDACTED] to TOIG. [REDACTED] stated that she was saddened by [REDACTED] removal and did not want to know who reported him to TOIG. [REDACTED] stated that [REDACTED] has always been helpful and supportive to her and all of the TEOAF employees and considers [REDACTED] a friend and a mentor. [REDACTED] stated that no TEOAF employees have ever come to her to complain about [REDACTED] behavior.

[REDACTED] stated that [REDACTED] has raised his voice at her in the past but she is "thick skinned" and felt that she deserved being yelled at if she made a mistake. [REDACTED] admitted that [REDACTED] has made her cry on several occasions but she believes she deserved his criticism.

[REDACTED] stated that she was not present when [REDACTED] yelled at [REDACTED] and did not speak to [REDACTED] after the fact. [REDACTED] stated that she heard about the incident later in the day. [REDACTED] stated she was present with [REDACTED] during a meeting in [REDACTED] office when [REDACTED] was upset. [REDACTED] could not recall why [REDACTED] was upset and does not recall [REDACTED] telling anyone to clear the seventh floor because she recalls employees milling around outside of [REDACTED] office.

[REDACTED] was asked about TEOAF hiring practices and why so many Schedule A employees are hired instead of permanent employees. [REDACTED] stated that in the past TEOAF would hire bright college students with excellent resumes from the Hamilton Fellowship Program (HFP), however, the HFP is no longer available and TEOAF hires short term employees because their needs are generally for one to two year projects. [REDACTED] stated that Schedule A employees fit TEOAF's short term goals. [REDACTED] stated that one of her hires, [REDACTED], was her second choice because the first choice (a veteran) turned down the job due to the low entry pay grade.

[REDACTED] stated her two most recent hires were both Schedule A employees because the projects they are working on are expected to last only two years. [REDACTED] stated that she did hire a college friend of [REDACTED] son on a Schedule A hiring list, but that [REDACTED] had nothing to do with the hiring. [REDACTED] stated that [REDACTED] would leave it up to the Assistant [REDACTED] to pick the employees who were the best fit for their teams. [REDACTED] stated [REDACTED] never told her not to hire veterans.

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[REDACTED] was asked if a former employee [REDACTED] was retaliated against by [REDACTED]. [REDACTED] stated that [REDACTED] was not retaliated against and that he was a difficult employee who would question everything and write down everything [REDACTED] told him. [REDACTED] stated that employees needed to be flexible and that sometimes at TEOAF they were forced to change direction on a project due to their fund money being reallocated for other projects. [REDACTED] stated that [REDACTED] was not a team player.

[REDACTED] was asked if she recalled any inappropriate behavior by [REDACTED] towards an intern named [REDACTED]. [REDACTED] stated that she barely remembers [REDACTED] and was not aware of any incidents involving [REDACTED] (Exhibit 19)

In a second interview with TOIG, [REDACTED] was asked if she had tried to find out who in the office was responsible for reporting [REDACTED]. [REDACTED] stated that she told her employees that she was saddened by [REDACTED] removal and may have asked out loud "who could have done this." [REDACTED] stated that she did not actively try to find out who had reported [REDACTED] and that she was shocked by [REDACTED] removal.

[REDACTED] was asked if she recalled [REDACTED] clearing the entire seventh floor during a meeting with [REDACTED]. [REDACTED] stated she was present with [REDACTED] during the meeting in [REDACTED] office when [REDACTED] was upset. [REDACTED] does not recall [REDACTED] telling anyone to clear the seventh floor but recalls a heated argument between [REDACTED] and [REDACTED] (Exhibit 19)

In an interview with TOIG, [REDACTED] was afforded the opportunity to explain his actions and answer questions regarding allegations that he has created a hostile work environment at TEOAF. [REDACTED] was advised of his rights (Kalkines) and assisted in the completion of a personal history information sheet. [REDACTED] interview was videotaped and transcribed, [REDACTED] stated the following:

[REDACTED] has been employed by the Treasury since 1989, and has worked for TEOAF since 1992. [REDACTED] stated that he is suffering from anxiety and depression and he is currently under a doctor's care for these illnesses. [REDACTED] stated that he is currently taking prescription medication Zoloft for anxiety/depression and Mirtazapine, which has recently been prescribed for his depression and to help him sleep. [REDACTED] stated that when he is under stress at work he sometimes has panic attacks which cause him to hyperventilate and flail his arms and yell.

[REDACTED] stated that his stress and anxiety issues have been brought on by his work and external factors that TEOAF cannot control. [REDACTED] cited Congressional rescission and the government sequestration as two outside influences affecting the TEOAF fund. [REDACTED] stated that he believes strongly in the program and considers it to be his "third child." [REDACTED] believes the program is being taken away from TEOAF which has led to over \$2 billion taken from the fund to cover other government expenditures. [REDACTED] stated that the past year has been particularly difficult for him to cope with the pressures of the job and that he has spoken to his supervisor

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[REDACTED] within the past two months regarding his stress and the possibility of finding another position within Treasury. [REDACTED] stated that [REDACTED] told him that nobody knows the program like he does and that he could not leave. [REDACTED] stated that he also brought up this issue over two years ago with [REDACTED]. [REDACTED] asked [REDACTED] to speak to [REDACTED] on his behalf to assist him in finding another position within Treasury. [REDACTED] stated that he has additional outside stress dealing with his aging parents who are both in an assisted living home in Minnesota. [REDACTED] stated that he had planned on taking leave most of December to deal with his parents situation.

[REDACTED] stated that when he becomes upset he has certain people he vents his frustration on. [REDACTED] stated that [REDACTED] and [REDACTED] endure most of his venting and that when he is yelling at them it is to vent his anxiety and that he is not directing any anger towards them. [REDACTED] admitted to clearing the entire seventh floor while venting his frustration to [REDACTED] a few days before he was sent home. [REDACTED] did not want others on the floor to see or hear him having a "meltdown". [REDACTED] stated that he knows he has a problem and is currently seeing three different doctors for treatment.

[REDACTED] was questioned by TOIG regarding statements he made in front of TEOAF employees about "getting a gun and shooting someone". [REDACTED] denied making any statements about shooting anyone, however, he stated that at times he would make his hand in the shape of a gun and put it to his temple and pretend to pull the trigger and say "just shoot me now" showing his frustration. [REDACTED] stated that he said this jokingly; however, he understands how somebody might misconstrue his meaning.

[REDACTED] was questioned by TOIG about a contract with BAH and TEOAF for the development of an automated process for the ESP and whether his relationship with [REDACTED] played any role in BAH obtaining the contract. [REDACTED] stated that he used to work for [REDACTED], however, [REDACTED] does not have decision making authority on contracts. [REDACTED] stated that all contracts go through the Contracting Officer Technical Representatives (COTR) or through the procurement office at DO. [REDACTED] stated that this contract was added to an existing BAH contract that Treasury already was using for Information Technology support.

[REDACTED] was questioned by TOIG regarding TEOAF's preference to use Schedule A hiring as opposed to posting jobs for full time employees (FTE) and if this was an attempt to work around hiring individuals with Veteran's preference. [REDACTED] stated that TEOAF had a good track record of hiring recent college graduates on Schedule A hiring lists. [REDACTED] stated that these positions are usually lower paying and are limited to a certain time period of two years or less. [REDACTED] stated that he did offer one of these positions to a veteran, however, the veteran turned down the position for another agency. [REDACTED] stated that [REDACTED] was the second selectee on the list and accepted the position. [REDACTED] stated that the process of hiring an FTE takes a long time so that is why TEOAF generally uses Schedule A positions. [REDACTED] stated that he hired a friend of his son's as a Schedule A employee, but that he ran it by the legal team and ethics office to ensure

that he was doing nothing wrong. [REDACTED] stated that he was told there was no conflict with hiring the employee.

[REDACTED] was asked by TOIG if he retaliated against a former employee, [REDACTED] for reporting [REDACTED] to TOIG for releasing classified material to an individual without the proper clearance. [REDACTED] denied retaliating against [REDACTED] and stated that [REDACTED] was a problematic employee and made life difficult for his coworkers. [REDACTED] stated that [REDACTED] threatened to delete data from TEOAF's files and complained about his performance review rating. [REDACTED] stated [REDACTED] wanted an "Excels" on his review for something he had never done. [REDACTED] stated that the TOIG complaint did not substantiate that he showed [REDACTED] classified material. [REDACTED] stated that [REDACTED] was moved under a different supervisor and was detailed to CBP for a few months. [REDACTED] eventually resigned from the federal government after leaving CBP. (Exhibit 20)

[REDACTED] apologized for his behavior and stated that if he were to return to TEOAF he would make changes to his management style and delegate more responsibilities to his management team. [REDACTED] indicated that he regrets his actions and any stress that he may have placed on his employees.

In an interview with TOIG, [REDACTED] was asked if he recalled a conversation over the past two years with [REDACTED] regarding [REDACTED] being stressed out as [REDACTED] of TEOAF and requesting that [REDACTED] assist him with finding another position within Treasury or asking him to speak to [REDACTED] Assistant Secretary Terrorist Financing, on his behalf.

[REDACTED] stated that he recalled speaking with [REDACTED] regarding a position elsewhere, but he does not recall [REDACTED] mentioning that he was stressed out or was having any issues at TEOAF. [REDACTED] stated that [REDACTED] may have alluded to the fact, but that [REDACTED] did not catch on to what he was saying. [REDACTED] stated that the only issue he was made aware of about [REDACTED] was that [REDACTED] became angry frequently. [REDACTED] stated that he was never made aware of the extent of [REDACTED] anger issues. (Exhibit 21)

In an interview with TOIG, [REDACTED] was asked if he recalled a recent conversation with [REDACTED] regarding [REDACTED] being stressed out as [REDACTED] of TEOAF and requesting that [REDACTED] assist him with finding another position within Treasury. [REDACTED] stated that the first time he discussed any "issues" with [REDACTED] was during a meeting on October 8, 2014, when [REDACTED] was removed from his position at TEOAF and placed on administrative leave. [REDACTED] does not recall [REDACTED] discussing any of his medical or personal issues prior to that meeting. [REDACTED] stated that he had no indication of any prior problems at TEOAF. (Exhibit 22)

Referrals

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Report of Investigation

Case Name: [REDACTED]

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N/A

Judicial Action

N/A

Findings

The investigation determined that the allegation is substantiated. [REDACTED] admitted to having outbursts in the office and acting inappropriately by cursing and screaming while in a government workplace which was further confirmed by numerous witness interviews. [REDACTED] stated that he is under a doctor's care for anxiety and depression and is actively seeking treatment for these ailments.

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:

- 31 CFR 0.213 - General Conduct Prejudicial to the Government

Distribution

[REDACTED] Senior Advisor, DO

Report of Investigation

Case Name: [REDACTED]

Case # DO-15-0018-I

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Signatures

Case Agent: [REDACTED] [REDACTED]
[REDACTED]

12/2/14 Date

Supervisor: [REDACTED]
Jerry S. Marshall

8 DEC 2014 Date

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Exhibits

1. Original Complaints from Anonymous Sources dated May 2014 to September 2014.
2. Memorandum of Activity, interview of Confidential Source CS1, dated October 7, 2014.
3. Memorandum of Activity, interview of Confidential Source CS2, dated October 7, 2014.
4. Memorandum of Activity, interview of Confidential Source CS3, dated October 7, 2014 & October 8, 2014.
5. Memorandum of Activity, interview of [REDACTED] dated October 10, 2014.
6. Memorandum of Activity, interview of [REDACTED] dated October 7, 2014 & October 20, 2014.
7. Memorandum of Activity, interview of Confidential Source CS4, dated October 8, 2014.
8. Memorandum of Activity, interview of [REDACTED] dated October 10, 2014.
9. Memorandum of Activity, interview of [REDACTED] dated October 14, 2014.
10. Memorandum of Activity, interview of Confidential Source CS5, dated October 14, 2014.
11. Memorandum of Activity, interview of Confidential Source CS6, dated October 16, 2014.
12. Memorandum of Activity, interview of Confidential Source CS7, dated October 16, 2014.
13. Memorandum of Activity, interview of Confidential Source CS8, dated October 16, 2014.
14. Memorandum of Activity, interview of [REDACTED] dated October 20, 2014.
15. Memorandum of Activity, interview of [REDACTED] dated October 20, 2014.
16. Memorandum of Activity, interview of [REDACTED], dated October 20, 2014.
17. Memorandum of Activity, interview of Confidential Source CS9, dated October 30, 2014.

Report of Investigation

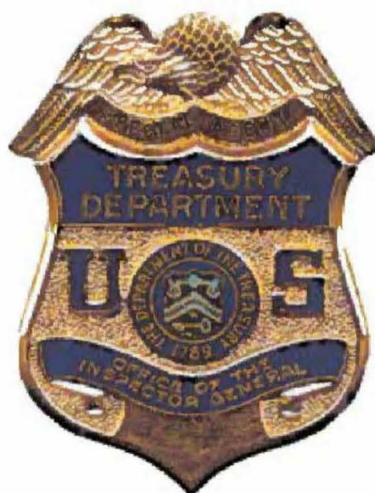
Case Name: Eric E. [REDACTED]

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18. Memorandum of Activity, interview of [REDACTED] [REDACTED] dated October 27, 2014.
19. Memorandum of Activity, interview of [REDACTED] [REDACTED], dated October 27, 2014 & October 30, 2014.
20. Memorandum of Activity, interview of [REDACTED] [REDACTED] (with transcripts), dated November 5, 2014.
21. Memorandum of Activity, interview of [REDACTED] [REDACTED] dated November 14, 2014.
22. Memorandum of Activity, interview of [REDACTED] [REDACTED] dated November 14, 2014.

REPORT OF INVESTIGATION
OCC-15-1946-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 National Bank Examiner
Office of the Comptroller of the
Currency

Case #: OCC-15-1946-I

Case Type: Criminal _____
Administrative X
Civil _____

Investigation Initiated: October 30, 2015

Conducted by: [REDACTED]
Special Agent

Investigation Completed: JUL 26 2016

Origin: Office of the Comptroller of the
Currency

Approved by: Jerry S. Marshall
DAIGI

Summary

On October 30, 2015, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), initiated an investigation based on information received from the Office of the Comptroller of the Currency (OCC) reporting that [REDACTED] National Bank Examiner (NBE), OCC, was arrested for assault in 2015 and for driving under the influence in 2013. Allegedly, [REDACTED] did not report his arrest in 2013 and was not cooperating with OCC management in regards to providing a copy of the arrest report in 2015.

The investigation determined that the allegation is substantiated. On January 19, 2016, [REDACTED] pled guilty to a misdemeanor violation of a Minnesota Domestic Abuse No Contact Order (DANCO). [REDACTED] was sentenced to 90 days in jail, 88 days suspended, and 2 days to serve with credit for 2 days already served. [REDACTED] guilty plea stemmed from a DANCO violation on July 6, 2015 which was a result of [REDACTED] arrest on June 25, 2015, for 5th Degree Assault, Domestic Assault, and Obstructing an Officer's Duties, in violation of Minnesota statutes. The investigation also discovered and substantiated [REDACTED] guilty plea and conviction violated a Settlement Agreement [REDACTED] entered into with OCC in which [REDACTED] agreed to the immediate termination of his employment with OCC if he broke the terms of the agreement in any non-trivial way, to include 1) not engaging in any "on- of off-duty misconduct that is a violation of...other federal or state law, rule, or regulation" and 2) requiring [REDACTED] to promptly and accurately notify OCC of any criminal or legal matters in which [REDACTED] may be involved. On April 11, 2016, OCC terminated [REDACTED] employment with OCC.

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Report of Investigation

Case Name: [REDACTED]

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Basis and Scope of the Investigation

On July 7, 2015, OCC notified TOIG that [REDACTED] was arrested for assault. OCC also advised [REDACTED] refused to provide a copy of his arrest report because he claimed to not have a copy. Beauchamp allegedly told OCC to "obtain the information the way [OCC] did previously." (Exhibit 1)

TOIG query and review of law enforcement databases confirmed [REDACTED] was arrested for assault in 2015 in addition to Driving Under the Influence (DUI) in 2013 which appeared to have not been reported to OCC. (Exhibit 2)

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

- [REDACTED], Esquire, [REDACTED] Law, LLC.

In addition, TOIG reviewed pertinent documents, including:

- Carver County Sheriff's Office Incident Reports, dated January 18, 2013.
- OCC and [REDACTED] Settlement Agreement, dated May 16, 2014.
- Buffalo Police Department, Buffalo, MN, Police Reports, dated June 26, 2015 & July 8, 2015.
- [REDACTED] Sentencing Order, State of Minnesota, Wright County, MN, dated January 19, 2016.
- OCC Termination Letter to [REDACTED] dated April 11, 2016.

Investigative Activity

TOIG obtained a report from the Carver County Sheriff's Office, Chaska, Minnesota, regarding [REDACTED] arrest for DUI in 2013. (Exhibit 3)

TOIG also obtained reports from the Buffalo Police Department, Buffalo, Minnesota, regarding [REDACTED] arrest for assault and later for [REDACTED] arrest for violating a Domestic Abuse No Contact Order (DANCO) in 2015. (Exhibit 4)

In an interview with TOIG, [REDACTED], Esq., City Attorney, Buffalo, Minnesota, who was responsible for prosecuting [REDACTED] in connection with his assault and DANCO arrests, advised [REDACTED] was scheduled to go to trial on the matter in January of 2016.

On January 28, 2016, TOIG obtained the State of Minnesota, Wright County, Sentencing Order for [REDACTED] which showed that on January 19, 2016, [REDACTED] pled guilty to, and was sentenced for, a DANCO misdemeanor violation of Minnesota statute 629.75.2(b). [REDACTED]

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Report of Investigation

Case Name: [REDACTED]

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was sentenced to 90 days in jail, 88 days suspended, and 2 days to serve with credit for 2 days already served. (Exhibit 5)

TOIG also obtained a copy of a Settlement Agreement between OCC and [REDACTED] (Exhibit 6)

[Agent's Note: The referenced "Settlement Agreement" is a signed agreement between OCC and [REDACTED] which both parties entered into on May 16, 2014. [REDACTED] was previously facing disciplinary action including termination of employment, however, OCC agreed to allow [REDACTED] to work for OCC until October 31, 2016, the date [REDACTED] was eligible for retirement.]

After TOIG's review of the Settlement Agreement, TOIG contacted OCC and inquired 1) as to whether [REDACTED] made notification of his guilty plea to [REDACTED] Senior Human Resources Consultant, OCC, per Paragraph K of the Settlement Agreement and 2) whether OCC planned to make a determination if [REDACTED] guilty plea of violating Minnesota statute 629.75.2(b) consequently violated the Settlement Agreement in any non-trivial manner pursuant to Paragraphs F & L.

On April 18, 2016, OCC advised TOIG that on April 11, 2016, OCC terminated [REDACTED] employment with OCC. TOIG review of the OCC termination letter ("OCC letter") discovered the following:

The OCC letter is addressed to [REDACTED] at [REDACTED], and was sent from and signed by [REDACTED], Deputy Comptroller, Central District, at the address of 440 South LaSalle Street, Chicago, IL 60605. The subject line is "Termination for violation of your Settlement Agreement" and is dated April 11, 2016. The letter has a "cc" list of [REDACTED], Assistant Deputy Comptroller (ADC), Minneapolis Field Office, [REDACTED], Administrative & Internal Law, OCC HQ, and [REDACTED], Senior Human Resources Consultant.

The OCC letter states:

This memorandum notifies you of my decision to terminate your employment as a National Bank Examiner, NB-570-V, with the Office of the Comptroller of the Currency for violating the terms of the May 16, 2014, Settlement Agreement you signed and for failure to follow instructions. This action will be effective April 11, 2016.

According to the OCC letter, the termination of employment action is taken "pursuant to paragraph 2.L. of the Settlement Agreement, signed by you and your attorney..." The OCC letter provides details of the Settlement Agreement which states [REDACTED] agrees if he

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Report of Investigation

Case Name: [REDACTED]

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violates any of the Settlement Agreement terms in "any non-trivial way prior to October 31, 2016," that [REDACTED] removal will be effective immediately and [REDACTED] "waives any right he may have to appeal to the MSPB, file a grievance under the Collective Bargaining Agreement between the Agency and the National Treasury Employees Union, file a discrimination complaint, or file any court action with regard to this Agreement."

The OCC letter cites four separate violations of the Settlement Agreement by [REDACTED] which are listed below:

- 1) [REDACTED] violated paragraph 2.F. of the Settlement Agreement by engaging in non-trivial misconduct. Specifically, [REDACTED] was convicted of two misdemeanors following the Settlement Agreement. First, [REDACTED] was convicted of violating a limited driver's license conditions on April 13, 2015, and second, [REDACTED] was convicted of violating a domestic abuse no contact order on January 19, 2016. The letter states [REDACTED] consequently violated "federal or state law" in violation of paragraph 2.F. of the Settlement Agreement.
- 2) [REDACTED] violated paragraph 2.K. of the Settlement Agreement by failing to provide accurate and complete information to OCC regarding [REDACTED] criminal proceedings and other legal matters. The letter identifies several arrests and convictions of [REDACTED] of which he failed to either promptly or accurately notify [REDACTED], Senior Human Resources Consultant, OCC. Consequently, [REDACTED] "violated paragraph 2.K. of the Settlement Agreement which obliged you [REDACTED] to truthfully, accurately and completely provide notice to OCC of criminal and other legal matters."
- 3) [REDACTED] violated paragraph 2.I. of the Settlement Agreement by failing to maintain the capability to travel on official business. The letter cites two examples in which [REDACTED] informed ADC Sundstrom that he was unable to travel outside the state of Minnesota as a result of an arrest and he was unable to drive "due to complications with [REDACTED] limited driver's license." Consequently, [REDACTED] violated paragraph 2.I. of the Settlement Agreement by failing to maintain the capability to travel on official business.
- 4) [REDACTED] did not "follow instructions and provide truthful and complete answers to official inquiries as required by OCC and Treasury policy and regulations." He consequently violated paragraph 2.F. of the Settlement Agreement in which [REDACTED] agreed he "will not engage in any on- or off-duty misconduct that is a violation of" the Code of Federal Regulations, other federal or state law, rule, or regulation, and policies of the OCC. The OCC letter details [REDACTED] failure to follow a supervisor's direct instructions in violation of "PPM 3110-36, Discipline and Adverse Action Program" in addition to his failure to respond truthfully to an official inquiry from ADC Sundstrom, in

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Report of Investigation

Case Name: [REDACTED]

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violation of Treasury Department Rules of Conduct, 31 C.F.R. Section 0.207 and 0.208. Consequently, [REDACTED] violated paragraph 2.F. of the Settlement Agreement by not complying with a supervisor's instructions and by not truthfully responding to an official inquiry.

The OCC letter details the termination procedures including removal of [REDACTED] personal property in addition to [REDACTED] right to pursue a discrimination claim "based on events occurring after May 16, 2014." (Exhibit 7)

Referrals

N/A

Judicial Action

N/A

Findings

The investigation determined that the allegation is substantiated. On January 19, 2016, [REDACTED] pled guilty to a misdemeanor violation of a Minnesota Domestic Abuse No Contact Order (DANCO). [REDACTED] was sentenced to 90 days in jail, 88 days suspended, and 2 days to serve with credit for 2 days already served. [REDACTED] guilty plea stemmed from a DANCO violation on July 6, 2015, which was a result of [REDACTED] arrest on June 25, 2015, for 5th Degree Assault, Domestic Assault, and Obstructing an Officer's Duties, in violation Minnesota statutes. The investigation also discovered and substantiated [REDACTED]'s guilty plea and conviction violated a Settlement Agreement [REDACTED] entered into with OCC in which [REDACTED] agreed to the immediate termination of his employment with OCC if he broke the terms of the agreement in any non-trivial way, to include 1) not engaging in any "on- of off-duty misconduct that is a violation of...other federal or state law, rule, or regulation" and 2) requiring [REDACTED] to promptly and accurately notify OCC of any criminal or legal matters in which [REDACTED] may be involved. On April 11, 2016, OCC terminated [REDACTED] employment with OCC.

Distribution

Thomas C. Melo, Director, Enterprise Governance, OCC

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Report of Investigation

Case Name: [REDACTED]

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Exhibits

1. Complaint Initiation, dated July 7, 2015.
2. NCIC Record for [REDACTED] dated July 29, 2015.
3. [REDACTED] Arrest Report, Carver County Sheriff's Office, Chaska, MN, dated January 18, 2013.
4. [REDACTED] Arrest Reports, Buffalo Police Department, Buffalo, MN, dated June 26, 2015 & July 8, 2015.
5. [REDACTED] Sentencing Order, State of Minnesota, Wright County, MN, dated January 19, 2016.
6. OCC Settlement Agreement with [REDACTED] dated May 16, 2014.
7. Memorandum of Activity, Review of OCC Termination of Employment Letter to [REDACTED] dated April 20, 2016.

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REPORT OF INVESTIGATION
OCC-15-1954-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]
Associate Deputy Comptroller
NB-7
Office of the Comptroller of
the Currency

Case #: OCC-15-1954-I

Case Type: Criminal
Administrative ☒
Civil

Investigation Initiated: January 29, 2016

Investigation Completed: FEB 29 2016

Conducted by: [REDACTED]
Investigator

Origin: [REDACTED]
Director, Enterprise Governance
Office of The Comptroller of the
Currency

Approved by: Jerry S. Marshall
Special Agent in Charge

Summary

The Department of Treasury, Office of the Inspector General, Office of Investigations (TOIG), received a complaint from the Office of the Comptroller of the Currency (OCC) that [REDACTED] OCC Assistant Deputy Comptroller (ADC) misused her Government Citibank travel card by renting vehicles and flying from Tampa FL, to Jacksonville, FL when the office policy is to drive. According to the allegations [REDACTED] then submitted her travel vouchers to an individual in Dallas, TX in order to hide her actions from her subordinates.

The investigation determined that the allegations are unsubstantiated. [REDACTED] reports to Associate Deputy Comptroller [REDACTED] McQuary in Dallas, TX, and is required to send vouchers for official travel to [REDACTED] or her designee, for approval. This is the procedure for all 11 ADC's who report to [REDACTED]. [REDACTED] has been assigned as the Acting ADC for Jacksonville, FL office for the past two years and as such, her time is at a premium when managing two field offices. The Federal Travel Regulations also permit Temporary Duty Assignment (TDY) 50 miles from the employee's duty station. Jacksonville is approximately 200 miles and a 3 ½ hour drive from Tampa.

Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # OCC-15-1954-I

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Basis and Scope of the Investigation

On July 8, 2015, TOIG received a complaint from OCC that [REDACTED] [REDACTED] OCC Assistant Deputy Comptroller (ADC) misused her Government Citibank travel card by renting vehicles and flying from Tampa FL, to Jacksonville, FL when the office policy is to drive. According to the allegations [REDACTED] then submitted her travel vouchers to an individual in Dallas, TX in order to hide her actions from her subordinates. (Exhibit 1)

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

- [REDACTED] Associate Deputy Comptroller Analyst - Witness
- [REDACTED] Special Operations Associate Deputy Comptroller Analyst - Witness
- [REDACTED] Associate Deputy Comptroller – Witness

In addition, TOIG reviewed pertinent documents, including:

- Individual Expense Form Reports (IEFR) submitted by [REDACTED]
- Correspondence (emails) OCC's travel office regarding charges
- Citibank Card Holder Account Agreement and Travel Card Training Certificate
- Federal Travel Regulations

Investigative Activity

A TOIG document review of [REDACTED] IEFR statements, from May 5, 2011 to April 18, 2015, revealed that [REDACTED] submitted approximately 52 vouchers to the Dallas, TX office of OCC. Further examination revealed that [REDACTED] took nine trips to Jacksonville, FL from Tampa, FL during this time frame. [REDACTED] used her Personally Owned Vehicle (POV) on four occasions and flew the other five occasions. (Exhibit 2)

In an interview with TOIG, [REDACTED] stated that she reports directly to the Associate Deputy Comptroller, [REDACTED] [REDACTED] and that [REDACTED] has ten ADC's that report to her directly, [REDACTED] being one of them. [REDACTED] stated that there is a second Associate Deputy Comptroller in Dallas that has eleven ADC's reporting to him.

[REDACTED] stated that [REDACTED] usually approves the travel vouchers for her direct reports, however, [REDACTED] is [REDACTED] back-up approver and approves all time and attendance, leave requests, and travel vouchers in [REDACTED] absence. [REDACTED] was shown 39 vouchers that she approved for [REDACTED] during the time period of 2012 through 2015. [REDACTED] stated that she did in fact approve the vouchers as part of her duties as back up approver for [REDACTED]

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Report of Investigation

Case Name: [REDACTED]

Case # OCC-15-1954-I

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[REDACTED] stated that she is unaware of the Tampa Office policy regarding driving or flying to a TDY, however, it usually involves a cost comparison and that the default is usually to fly when time is a factor. [REDACTED] stated that since [REDACTED] is managing two offices as the Acting ADC for Jacksonville and the ADC for Tampa, her time is valuable and she must be flexible with her time in order to manage multiple offices. (Exhibit 3)

In an interview with TOIG, [REDACTED] stated that she reports directly to [REDACTED] the Associate Deputy Comptroller for Special Operations in Dallas who has 11 ADC's reporting to him. [REDACTED] stated that [REDACTED] sometimes covers responsibilities for the other Associate Deputy Comptroller [REDACTED]. [REDACTED] stated that during these periods of coverage she is [REDACTED]'s back up approver and approves all time and attendance, leave requests and travel vouchers in [REDACTED]'s absence. [REDACTED] was shown seven vouchers that she approved for [REDACTED] during the time period of April 2014 through June 2014. [REDACTED] stated that she did in fact approve the vouchers as part of her duties as back up approver for [REDACTED]. (Exhibit 4)

In an interview with TOIG, [REDACTED] stated that due to the nature of the work OCC performs it is necessary for their examiners to travel frequently. The OCC employee completes a travel authorization, post travel, and there is a blanket authorization in place within the agency when travel needs arise. [REDACTED] stated that the travel regulations authorize a common conveyance and that anything over 50 miles is authorized TDY.

[REDACTED] stated that [REDACTED] reports directly to her and that she is responsible for approving her travel vouchers and in her absence she has authorized Analyst [REDACTED] or [REDACTED] back-up, to approve vouchers. [REDACTED] stated that she supervises nine other ADC's besides [REDACTED] who follow the same procedure of submitting their travel documents to her for approval.

[REDACTED] stated that [REDACTED] is the ADC for the Tampa office and has also been the Acting ADC for the Jacksonville office for the past two years, which requires [REDACTED] to travel by the most expeditious manner available due to her extra responsibilities. [REDACTED] stated that she has had no issues with [REDACTED] or her vouchers since she has been her supervisor.

[REDACTED] was shown three vouchers that she approved for [REDACTED] during the time period of April 2014 through June 2014. [REDACTED] stated that she did in fact approve the vouchers as part of her duties. (Exhibit 5)

Referrals

NA

Judicial Action

NA

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Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # OCC-15-1954-I

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Findings

The investigation determined that the allegation is unsubstantiated. [REDACTED] reports to Associate Deputy Comptroller [REDACTED] [REDACTED] in Dallas, TX, and is required to send her vouchers for official travel to [REDACTED] or her designee for approval. This is the procedure for all eleven ADC's who report to [REDACTED]. [REDACTED] has been covering as the Acting ADC for Jacksonville, FL office for the past two years and as such her time is at a premium since she is managing two field offices. The Federal Travel Regulations also permit Temporary Duty Assignment (TDY) 50 miles from the employee's duty station. Jacksonville is approximately 200 miles and a 3 ½ hour drive from Tampa.

[Investigative Note: OCC operates under an annual travel authorization that covers routine travel. If an employee deviates from that routine travel, they must seek prior approval. The common means of travel is determined by what is most cost effective. There is not a cut off for number of miles to be driven before a flight is authorized. The common means of transportation for the OCC - Tampa office, when traveling to Jacksonville, FL, is by personally owned vehicle (POV), not flying. Another method of travel could be authorized at the discretion of the manager, if it is necessary to get to an obligation on time or to avoid overtime. [REDACTED] authorized [REDACTED] travel for the benefit of the government.]

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:

NA

Distribution

[REDACTED] Director Enterprise Governance, OCC

Report of Investigation

Case Name: [REDACTED]

Case # OCC-15-1954-I

Page 5 of 6

Signatures

Case Agent:

[REDACTED]

2/17/16

Date

Supervisor:

[REDACTED]

19 FEB 2016

Jerome S. Marshall

Date

Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # OCC-15-1954-I

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Exhibits

1. Original Complaint from [REDACTED] dated July 7/2015.
2. Copies of [REDACTED]'s Travel voucher statements from 5/05/2011- 4/18/2015.
3. Memorandum of Activity of Interview of [REDACTED] [REDACTED] dated January 27, 2016.
4. Memorandum of Activity of Interview of [REDACTED] [REDACTED] dated January 27, 2016.
5. Memorandum of Activity of Interview of [REDACTED] [REDACTED], dated January 27, 2016.

REPORT OF INVESTIGATION
SCAM-15-1454-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 #: SCAM-15-1454-I

Investigation Initiated: November 18, 2015

Case Type: Criminal ☒
Administrative ☐
Civil ☐

Investigation Completed: FEB 29 2016

Origin: [REDACTED]
(Private Citizen)

Conducted by: [REDACTED],
Special Agent

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

Summary

On April 20, 2015, the Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG) received a complaint from [REDACTED], LLP, regarding fraudulent payments made to their client, [REDACTED]. The payments were made by [REDACTED] and [REDACTED] on behalf of [REDACTED] for his [REDACTED] school fees. [REDACTED] was a registered student at [REDACTED]. The payments consisted of several documents purported to be legal financial instruments that possessed monetary value. In addition, some of the documents mentioned the U.S. Treasury and Secretary Jacob Lew. Upon receiving these documents, [REDACTED] attempted to deposit them into their bank account at Bank of America. The bank promptly notified [REDACTED] that the payments were not acceptable for deposit. After receiving the notification from Bank of America and having problems with collecting [REDACTED] school fees, [REDACTED] terminated [REDACTED] student account. [REDACTED] then forwarded all the documents and related information to their law firm, [REDACTED], LLP. [REDACTED] outstanding balance was transferred to [REDACTED] collections department.

The investigation determined that the allegation was substantiated. [REDACTED] submitted worthless documents purporting to be legal financial instruments to [REDACTED] as payment for her grandson's school fees. [REDACTED] finance department attempted to deposit the payments into their bank account at Bank of America. The bank determined the payments could not be deposited and refused to allow the transactions. [REDACTED] and [REDACTED] used and placed the Secretary of the Treasury's name/title and the U.S. Treasury's routing number on the documents in an attempt to legitimize the worthless documents.

This case was presented for prosecutorial consideration and declined at the federal and state levels.

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Report of Investigation

Case Name: [REDACTED]

Case # SCAM-15-1454-I

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Basis and Scope of the Investigation

On April 20, 2015, TOIG received a complaint from Reed Smith, LLP, regarding fraudulent payments submitted to [REDACTED] as payment for an [REDACTED] student's, [REDACTED] school fees. The complaint alleged [REDACTED] submitted to [REDACTED] fraudulent payments containing the U.S. Treasury's name and routing number and stated the payments were for [REDACTED] school fees. [REDACTED] submitted the following: a Bonded Bill of Exchange Order in the amount of \$8,861, an International Bill of Exchange in the amount of \$8,861, a Private Registered Bonded Promissory Note in the amount of \$6,481, and four money orders in the amounts of \$6,030, \$2,160.11, \$8,861, and \$8,861. The total payment amount submitted by [REDACTED] using the four money orders and the Promissory Note was determined to be \$32,393.11. (Exhibit 1)

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

- [REDACTED], Interim President, [REDACTED]
- [REDACTED], Student Accounting, [REDACTED]

In addition, TOIG reviewed pertinent documents, including:

- [REDACTED] invoice for school fees
- Four money orders
- Bonded bill of exchange order
- Letter of advice
- Notice regarding any refusal of my bill of exchange
- International bill of exchange
- Private registered bonded promissory note
- Notice of memorandum of law
- California UCC filing acknowledgement and financing statement

Investigative Activity

TOIG reviewed documents provided by [REDACTED], LLP and prepared by [REDACTED] as payment for [REDACTED] school fees. Some of the documents contained the U.S. Treasury's name and bank routing number, and [REDACTED] signature was found on the money orders. The related documents, identified as letter of advice and notices, were attached to the money orders, promissory note, and bills of exchange. The letter and notices claimed that the bill of exchange, promissory note, and money orders were negotiable instruments. (Exhibit 2)

In an interview with TOIG, [REDACTED], Interim President, [REDACTED] said [REDACTED] student account was past due and [REDACTED] demanded full payment of \$12,966 for school fees, including tuition and housing costs. In response to the demand, [REDACTED] grandmother, [REDACTED] submitted fictitious money orders and a promissory note as payment. (Exhibit 3)

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Report of Investigation

Case Name: [REDACTED]

Case # SCAM-15-1454-I

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In an interview with TOIG, [REDACTED], Student Accounting, [REDACTED] said he dealt directly with [REDACTED] and had several correspondences with her. [REDACTED] was enrolled as an [REDACTED] student starting on September 30, 2013. In April 2014, [REDACTED] submitted four money orders and a promissory note in the amounts of \$8,861, \$8,861 \$6,030, \$2,160.11, and \$6,481 to pay for [REDACTED] school fees. [REDACTED] related they were valid forms of payment. When [REDACTED] presented the money orders and promissory note at their depository institution for deposit, the bank rejected all the money orders and promissory note. The bank advised [REDACTED] that the money orders and promissory note had no value and therefore could not be deposited. [REDACTED] terminated [REDACTED] student account on December 16, 2014, and transferred his outstanding balance of \$14,571.11 to their collections department. (Exhibit 4)

[REDACTED], Analyst, Bureau of the Fiscal Service (BFS), reviewed the bills of exchange, money orders, and promissory note submitted by [REDACTED] and stated that the documents were worthless and possessed no value. [REDACTED] was familiar the types of documents submitted by [REDACTED] and has provided expert witness testimony in court in the past. According to [REDACTED], the premise behind the types of documents submitted by [REDACTED] was that the U.S. Government went bankrupt and gave each person a "value" when the U.S. left the gold standard. Individuals using these fictitious documents were attempting to obtain their "value" by creating these types of documents. (Exhibit 5)

Referrals

On November 16, 2015, TOIG presented the case for criminal prosecution to [REDACTED], Assistant U.S. Attorney for the United States Attorney's Office (USAO) for the District of Maryland, in Greenbelt, MD. After reviewing the facts of the case, the USAO declined prosecution citing a low loss amount. (Exhibit 6)

On November 18, 2015, TOIG presented the case for criminal prosecution to [REDACTED], States Attorney for the Office of the State's Attorney for Montgomery County, MD. After reviewing the facts of the case, Office of the State's Attorney declined prosecution citing a lack of a loss to the victim. (Exhibit 7)

Judicial Action

N/A

Findings

The investigation determined that the allegation was substantiated. [REDACTED] and [REDACTED] on behalf of [REDACTED] submitted fictitious financial instruments to [REDACTED] as payments for [REDACTED]

Report of Investigation

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

Case # SCAM-15-1454-I

Page 4 of 6

[REDACTED] outstanding balance. [REDACTED] and [REDACTED] [REDACTED] used the U.S. Treasury's name and routing number on these fictitious financial instruments in an attempt to make them appear legitimate.

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

- 31 USC § 333 Prohibition of misuse of Department of the Treasury names, symbols, etc.
- 18 USC § 287 False Claims

Distribution

David Ambrose, Chief Security Officer, Bureau of the Fiscal Service

Report of Investigation

Case Name: [REDACTED]

Case # SCAM-15-1454-I

Page 5 of 6

Signatures

Case Agent:

[REDACTED] _____

2/4/2016
Date

Supervisor:

[REDACTED] _____
Jerry S. Marshall

12 FEB 2016
Date

Report of Investigation

Case Name: [REDACTED]

Case # SCAM-15-1454-I

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Exhibits

1. Lead Initiation, various dates.
2. Memorandum of Activity, LEO Activity-Record/Information Review, dated September 3, 2015.
3. Memorandum of Activity, Interview of Witness, dated September 16, 2015.
4. Memorandum of Activity, Interview of Witness, dated September 17, 2015.
5. Memorandum of Activity, LEO Activity-Record/Information Review, dated October 22, 2015.
6. Memorandum of Activity, Case Presented for Prosecution-Criminal (Declined), dated November 16, 2015.
7. Memorandum of Activity, Case Presented for Prosecution-Criminal (Declined), dated November 18, 2015.

REPORT OF INVESTIGATION
USM-15-0368-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: Violation of Public Law
Sales & Marketing Division
Headquarters
United States Mint (USM)

Case #: USM-15-0368-I

Case Type: Criminal ☒
Administrative ☒
Civil ☐

Investigation Initiated: November 17, 2014

Conducted by: [REDACTED]
Investigator

Investigation Completed: AUG 20 2015

Approved by: Jerry S. Marshall
Special Agent in Charge

Origin: [REDACTED]
United States Mint Police

Summary

On October 24, 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 Sales & Marketing Division (SMD) had over minted and over sold above the congressionally mandated limit, the 2014 Baseball Hall of Fame Gold Commemorative Coin in Violation of Public Law 112-152. (Exhibit 1)

The investigation determined that the allegation was substantiated. TOIG interviews and document reviews, as well as an admission by members of the SMD staff members during their interviews with TOIG, substantiated that the SMD violated Public Law 112-152.

On April 8, 2015, TOIG requested a legal opinion from TOIG Office of Counsel (OC). TOIG OC opined that no penalty for violation of this public law exists; therefore this matter was not referred to the USAO for a prosecutorial opinion.

Basis and Scope of the Investigation

On November 17, 2014, TOIG received information from the USM alleging that the SMD had over minted and over sold 104 coins above the 50,000 congressionally mandated limit of the 2014 Baseball Hall of Fame \$5 Gold Commemorative Coin in Violation of Public Law 112-152.

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

- [REDACTED] Acting Assistant Associate Director, Sales & Marketing, USM
- [REDACTED] Acting Associate Director, Sales & Marketing, USM
- [REDACTED] Manager, Product & Program Management Branch, USM
- [REDACTED] Branch Manager, Inventory & Sales Management Branch, USM
- [REDACTED] Commemorative Coin Program Manager, Product & Program Mgt. Branch, USM
- [REDACTED] Merchandise & Inventory Manager, Product & Program Mgt. Branch, USM
- [REDACTED] Production Planning & Control Specialist, USM
- [REDACTED] Program Manager, [REDACTED] Memphis, TN Facility

In addition, TOIG reviewed pertinent documents, including:

- USM Police Incident Report 14-HQ-041
- USM Inventory Spreadsheet of Gold Coin Shipments
- [REDACTED] Incident Report

Investigative Activity

In an interview with TOIG, [REDACTED] stated that she was responsible for overseeing all of the products and the process relating to the Baseball Hall of Fame (BHF) coins as well as coordinating with the recipient organization which is the BHF. [REDACTED] stated that it is common practice to over mint the allowed production number of coins since the USM over sells the initial orders for the coins. [REDACTED] had taken into account a certain number of coins being returned or damaged during the minting or shipping process and the fact that the USM didn't want to cause multiple minting's or have to smelt the excess coins. [REDACTED] stated that she as the program manager and in consultation with her Supervisor, [REDACTED] determined that an extra 250 coins would be minted to cover the loss damage margin for the \$5 coin.

[REDACTED] stated that the gold coins were shipped to [REDACTED] in Indianapolis, IN; however, all of the coins were being transferred to [REDACTED] in Memphis, TN, due to the closing of [REDACTED]. [REDACTED] stated that [REDACTED] was on the ground in Indianapolis and oversaw the transfer of the entire live product to Memphis and that someone from USM Warehouse Control would have monitored the arrival of the coins in Memphis.

█████ stated that █████ did not have a secure protected warehouse when the coins arrived in Memphis, so █████ did not have the ability to segregate the coins to prevent them from being shipped. [Investigative Note: █████ Program Manager, █████ contradicts this statement in his interview].

█████ stated that the USM did not have any visibility on the coin numbers during the first week after going live at █████ due to the reports portal at █████ not being operational at the time of the transition. █████ stated that █████ and the USM were communicating via email during this time period and by October 2, 2014; the number of coins that had been shipped from █████ did not match the USM inventory. The USM immediately stopped all shipments after the first email they received from █████. █████ stated that her contacts at █████ Memphis were █████ and █████ (Exhibit 2)

In an interview with TOIG, █████ stated that when a new commemorative coin is minted it is common practice to over mint the allowed production number of coins. █████ stated that she consulted with █████ and between the two of them determined that an extra 250 coins would be minted to cover the loss, damage margin for the \$5 coin.

█████ stated that the gold coins were all minted at USM West Point and 49,892 coins were shipped to █████ in Indianapolis, IN. █████ stated that all of the live USM products were being transferred to █████ in Memphis, TN, due to a change in the USM contract. █████ did not bid on the contract and the facility was shut down. █████ stated that █████ was on the ground in Indianapolis and oversaw the transfer of the entire live product to Memphis.

█████ stated that she does not believe that the gold coins were marked properly prior to them being shipped to Memphis and that some of the coins that were supposed to be segregated from the batch as reserved, not for sale, were co-mingled with the batch of coins left for sale. █████ stated that █████ could not be in two places at once and was unable to oversee the storage of the coins once they reached Memphis. █████ stated that the over sale of the 104 coins by █████ was accidental due to the confusion caused by the transfer of the coins from █████ and the fact that the not for sale coins were not segregated at █████. █████ stated that the USM has taken steps to prevent this error from occurring again. █████ stated that the USM now stores all overstock of coins at the production facility and ships additional coins only when needed. █████ stated that █████ who works in manufacturing, could provide the minting schedules of the coins and that █████ could provide additional information on any lost coins. (Exhibit 3)

In an interview with TOIG, █████ stated that he was present at the █████ facility in Indianapolis, IN from June 2014, through December 31, 2014, and oversaw the packing and shipping of all of the coins, boxes, non-coin items such as pamphlets and medals, etc., that were being transferred to █████ in Memphis, TN. █████ stated that he counted everything

Report of Investigation

Case Name: Violation of Public Law

Case # USM-15-0368-I

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that left the [REDACTED] facility and stated that someone from USM Warehouse Control would have monitored the arrival of the coins in Memphis, however, he was uncertain who verified the shipments arrival in Memphis because the personnel rotated weekly. [REDACTED] stated that all of the coins and other materials did arrive in Memphis.

[REDACTED] stated that the [REDACTED] computer system which tracked the coin inventory and allowed USM personnel to place inventory in segregation, shut down on September 30, 2014. [REDACTED] computer system became operational on October 1, 2014, however, the two computer systems were not identical and the [REDACTED] system only gave available inventory and recorded what product was shipped.

[REDACTED] stated that the USM did not have any visibility on the coin numbers during the first week after going live at [REDACTED]. [REDACTED] stated that he received a call from [REDACTED] requesting the number of commemorative coins sold, since each coin sale had to be tracked. [REDACTED] stated that once the USM realized that there was an over shipment of coins, they immediately put into place corrective measures to ensure that this does not happen again. (Exhibit 4)

In an interview with TOIG, [REDACTED] stated that the [REDACTED] facility in Memphis, TN, was coming on line on October 1, 2014. [REDACTED] won the USM contract for taking USM coin orders and shipping the coins to customers. [REDACTED] stated that the USM over shipped 104 \$5 gold coins to its previous facility [REDACTED] in Indianapolis, IN. [REDACTED] stated that [REDACTED] was on the ground in Indianapolis and oversaw the transfer of the entire live product to Memphis.

[REDACTED] stated that [REDACTED] should have coordinated the inventory that arrived at [REDACTED] in Memphis, however, an oversight was made and the coins were not segregated as "do not sell" at [REDACTED]. [REDACTED] stated that as the Branch Chief he accepts full responsibility for the over shipment of \$5 coins to [REDACTED].

[REDACTED] stated that as of March 25, 2015, only 101 \$5 coins have been over shipped. These corrected numbers are based on returns and current inventory. [REDACTED] stated that only 1 \$5 coin was reported missing from a point of sale vendor which includes the USM gift shop and counter sales at trade shows. [REDACTED] stated that as of December 2014, no further sales of these coins is permitted. (Exhibit 5)

In an interview with TOIG, [REDACTED] stated that before any coins are minted by the USM there has to be a Master Production Schedule (MPS) which is a control document signed by the USM, Sales & Marketing Director. Once this MPS is signed then the USM determines an approved build quantity, which for these coins was 50,000. [REDACTED] stated that this quantity number is driven by the SMB and that the SMB will over sell orders for a product in an effort to sell as many coins as possible. The orders are then filled. [REDACTED] stated that to place an order a valid credit card must be used and that the orders are processed once the coins have been minted and shipped to [REDACTED] or [REDACTED].

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█████ stated that sometimes these credit cards are no longer valid when the orders are ready to be filled and the call center has to verify if the customer still wants the product and obtain a valid credit card number. If the customer no longer wants the coins, then the next person in the ordering que is contacted. █████ stated that the SMB determines what percentage of the order will be proofs or uncirculated coins. █████ stated that the proofs have a polished finish and the uncirculated coins have a flat finish. Customers decide on what finish they want when ordering the coins.

█████ stated that the USM made a revision to the MPS for an additional 250 uncirculated coins on August 14, 2014, to cover product returns and that these coins were shipped to █████ in Indianapolis, IN. █████ stated that some of these 250 coins were shipped to █████ Memphis and were eventually sold to the public, but once the USM realized that there was an over shipment of coins, they immediately put into place corrective measures. █████ stated that the USM can only ship what is on the MPS and all over minted coins now stay at the minting facility that produced the coins until they are needed or they are smelted. (Exhibit 6)

In an interview with TOIG, █████ stated that in September and October of 2014, █████ received a shipment of \$5 gold Commemorative Baseball Coins from █████ in Indianapolis, IN; and that █████ from the USM Warehouse control monitored the arrival of the coins in Memphis.

█████ stated that █████ did have a secure protected area within the warehouse when the coins arrived in Memphis, however, no one at the USM communicated to █████ that the coins needed to be segregated to prevent them from being sold or shipped.

█████ stated that █████ and the USM were communicating via email during this time period and by October 2, 2014; the Adjusted Net Demand (AND) number of coins shipped from █████ did not match the USM inventory. █████ stated that any existing orders for the coins were put on hold and the coins were moved to the protected area of the warehouse.

█████ stated that since this incident, communication between the USM and █████ has improved and that within the next six months █████ hopes to implement new procedures that will prevent any product from being shipped until it is listed as a saleable item. █████ provided TOIG a copy of an incident report he filed relating to the loss of the coins. (Exhibit 7)

In an interview with TOIG, █████ stated that █████ runs the e-commerce end of the USM coin sales by handling the website, call center and the distribution center. █████ stated that the transfer of the entire live product from Indianapolis to Memphis took approximately 83 trucks to transfer to Memphis.

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Case Name: Violation of Public Law

Case # USM-15-0368-I

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█████ stated that █████ just did what they were paid to do. They had orders and product and they filled the orders with the inventory they had. █████ stated that he does not believe that the gold coins were marked properly prior to being shipped to Memphis and that some of the coins that were supposed to be segregated from the batch as reserved, not for sale, were co-mingled with the batch of coins left for sale. Approximately 104 coins were oversold to the public. (Exhibit 8)

In an interview with TOIG, █████ stated that she feels like this incident was caused by the "perfect storm" meaning the confusion caused by human error and the closing of █████ in Indianapolis, IN and the co-mingling of product shipped to █████ in Memphis, TN, that was placed in stock to be sold by █████ Memphis. (Exhibit 8)

Referrals

On April 8, 2015, TOIG requested a legal opinion from TOIG Office of Counsel (OC). TOIG OC opined that no penalty for violation of this public law exists; therefore this matter was not referred to the USAO for a prosecutorial opinion.

Judicial Action

N/A

Findings

The investigation determined that the allegation was substantiated. TOIG interviews and document reviews as well as an admission by the SMD staff members during their interviews with TOIG substantiated that the SMD violated Public Law 112-152.

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:

- Violation of Public Law 112-152

Distribution

Dennis O'Connor, Chief, United States Mint Police

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Signatures

Case Agent:

[REDACTED]

8/5/15
Date

Supervisor:

Jerry S. Marsh [REDACTED]

5 AUG 2016
Date

Exhibits

1. Complaint letter from [REDACTED], [REDACTED] USM Police, dated November 17, 2014
2. Memorandum of Activity, Interview of [REDACTED] dated April 3, 2015.
3. Memorandum of Activity, Interview of [REDACTED] dated March 26, 2015.
4. Memorandum of Activity, Interview of [REDACTED] dated April 3, 2015.
5. Memorandum of Activity, Interview of [REDACTED] dated March 30, 2015.
6. Memorandum of Activity, Interview of [REDACTED] dated April 3, 2015.
7. Memorandum of Activity, Interview of [REDACTED] dated June 5, 2015.
8. Memorandum of Activity, Interview of [REDACTED] [REDACTED] & [REDACTED] dated March 26, 2015

REPORT OF INVESTIGATION
BEP-15-1491-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]
Private Citizen

Case #: BEP-15-1491-I

Case Type: Criminal X
Administrative
Civil

Investigation Initiated: October 30, 2015

Investigation Completed: NOV 22 2016

Conducted by: [REDACTED]
Special Agent

Origin: Bureau of Engraving and Printing

Approved by: Anthony J. Scott
Special Agent in Charge

Summary

In February 2015, the Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), received a referral from the Bureau of Engraving & Printing (BEP) stating that [REDACTED] private citizen, Sugar Land, TX, attempted to deposit \$16,100 of mutilated U.S. currency into the Lowery Bank, 16555 Southwest Freeway, Suite 100, Sugar Land, TX 77479. Lowery Bank believed the money had been burnt and was suspect of [REDACTED] who reported that he had brought the money from Jordan. TOIG conducted an investigation on [REDACTED] for possibly operating as an unregistered money services company, in violation of Title 18 USC § 1960 – Unlicensed/unregistered money service business (MSB), and that the currency submitted to BEP by [REDACTED] was intentionally mutilated in violation of Title 18 USC § 331 – Mutilation, diminution, and falsification of coins/currency. (Exhibit 1)

The investigation determined that the allegation is unsubstantiated. Specifically, there was no evidence discovered in the course of the investigation to suggest that [REDACTED] was intentionally burning the currency prior to it being presented as mutilated. Additionally, in March 2012, [REDACTED] had filed a Registration of Money Service Business (RMSB) with the Financial Crimes Enforcement Network (FinCEN). The RMSB was in good standing until March 2014.

The U.S. Attorney's Office (USAO), Southern District of Texas, declined criminal prosecution of [REDACTED]

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Report of Investigation

Case Name: [REDACTED]

Case # BEP 15-1491-I

Page 2 of 7

Basis and Scope of the Investigation

In February 2015, TOIG received a case referral from the BEP stating that [REDACTED] private citizen, Sugar Land, TX, attempted to deposit \$16,100 of mutilated U.S. currency into the Lowery Bank, 16555 Southwest Freeway, Suite 100, Sugar Land, TX 77479. Lowery Bank believed the money had been burnt and was suspect of [REDACTED] who reported that he had brought the money from Jordan. (Exhibit 1)

The BEP is an agency of the Treasury. BEP conducts a program through which it will redeem mutilated U.S. currency, essentially taking in heavily damaged cash and replacing it with good money. According to BEP Moneyfactory.gov website:

Mutilated currency is defined as currency notes which are either not clearly more than 50% of the original note or in a condition that the value is questionable and therefore special examination is required to determine the value. Mutilation can occur through interactions with fire, water, chemicals, and animals.... Badly soiled, limp, defaced, torn, or worn notes that are clearly more than 50% of the original note and do not require special examination are not considered mutilated currency and can be redeemed at any bank. [BEP] is allowed, under regulations by the Department of the Treasury, to exchange mutilated currency at face value as long as either more than 50% of a note identifiable as U.S. currency is present or 50 % or less of a note identifiable as U.S. currency is present and the method of mutilation and supporting evidence demonstrate to the satisfaction of the Treasury that the missing portions have been totally destroyed. Mutilated currency may be mailed or brought personally to the BEP with a letter stating the estimated value and the explanation of how the currency became mutilated. While each case is carefully examined by trained specialists, [BEP's Director] makes the final determination for the settlement of mutilated currency claims.

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

- [REDACTED] Private Citizen.
- [REDACTED] Private Citizen.

In addition, TOIG reviewed pertinent documents, including:

- Case predication documentation, dated May 5, 2015.
- TX Department of Banking Affidavit, dated November 2, 2015.
- BEP records for [REDACTED] dated October 3, 2016.

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Report of Investigation

Case Name: [REDACTED]

Case # BEP 15-1491-I

Page 3 of 7

Investigative Activity

TOIG reviewed the predication information for this case which included a BEP complaint memorandum, a Lowery Bank complaint, a Congressional request by [REDACTED] and a TOIG Memorandum of Activity (MOA) from TOIG case number MSB-12-0090-I which addressed a prior proactive case on [REDACTED]

The BEP Complaint Memorandum was sent by [REDACTED] [REDACTED], Supervisory Criminal Investigator, Manager, Product and Investigation Branch, BEP, Washington, DC, which stated that [REDACTED] had previously submitted and been paid \$399,000 for mutilated U.S. currency on five separate claims. The complaint included concerns that \$16,100 of mutilated currency which was submitted by the Lowery Bank in Sugar Land, TX, on the behest of [REDACTED] had been cut and then burned to cover up the cuts in the money. The BEP complaint provided supporting documentation to include the initial letter from Lowery Bank, photographs of the burnt mutilated currency, and some information on the previous claims.

[REDACTED] was previously investigated by TOIG pursuant to TOIG Case# MSB-12-0090-I (FY 2012 MSB Initiative) for being an individual suspected of operating as an unregistered money services company which is a violation of Title 18 USC §1960 - Unlicensed/Unregistered Money Service Businesses, and other related U.S. Codes. During this investigation, TOIG produced a MOA containing information pertaining to a FinCEN report on [REDACTED]. The FinCEN report documented that in March 2012, [REDACTED] filed a RMSB for [REDACTED] Trading Incorporated (DBA [REDACTED] Money and Transfer). This business was registered to issue, sell, and redeem money orders and traveler's checks, as well as act as a currency dealer or exchanger, check casher, and money transmitter. [REDACTED] registered Bank of America account 586022602861 with the business. (Exhibit 1)

[Agent's Note: [REDACTED] RMSB was in good standing until March 2014.]

In an interview with TOIG, [REDACTED] claimed to have a limited ability to interpret/speak English and requested his son, [REDACTED] [REDACTED] [REDACTED] assist with translation during the interview for clarification.

[REDACTED] explained that their family had been investigated by several U.S. federal agencies for the past two years and provided an explanation that his father [REDACTED] was independently wealthy and owned businesses in Amman, Jordan and businesses in the U.S. He stated the U.S. companies were named [REDACTED] Auto Direct Inc. and [REDACTED] Auto Groups Inc. and the businesses routinely purchased used cars from auctions, repaired, and sold them. The profit margin was small averaging about \$50,000 annually. The Jordanian businesses sell merchandise and occasionally pay for damaged U.S. currency for approximately ninety percent per dollar. In turn, [REDACTED] brings the U.S. currency back to the U.S. and declares it with U.S. Customs and Border

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Report of Investigation

Case Name: [REDACTED]

Case # BEP 15-1491-I

Page 4 of 7

Protection. [REDACTED] claimed that most of the U.S. currency brought back from Jordan was in good shape and did not need to be turned in as mutilated currency. [REDACTED] and [REDACTED] provided samples of the U.S. currency brought back from Jordan to prove most of it was in good condition. [REDACTED] stated that [REDACTED] would deposit the money into Lowery Bank, Comerica Bank, and Bank of America then wired some of the money back to his Jordanian bank accounts. [REDACTED] claimed to pay taxes on the ten percent profit they were making and provided his accountant's information; [REDACTED] contact information; [REDACTED]. [REDACTED] stated the Internal Revenue Service (IRS) had been to their residence on three occasions and provided a business card of the IRS Special Agent.

[Agent's Note: The IRS confirmed the above listed contact and investigation of [REDACTED]

[REDACTED] stated that in March 2012, [REDACTED] assisted [REDACTED] and [REDACTED] with filing a RMSB for [REDACTED] Trading Incorporated (DBA [REDACTED] Money and Transfer) with the FinCEN in an attempt to abide by the U.S. banking regulations. [REDACTED] was unaware that the FinCEN RMSB expired after two years; March 2014. [REDACTED] stated that he and [REDACTED] inquired about obtaining a TX MSB license, but did not want to after they learned they had to obtain a \$500,000 surety bond and file it with the TX Department of Banking (TXDOB). [REDACTED] stated that they did not make enough money on the exchange of currency to warrant a \$500,000 surety bond. (Exhibit 2)

TOIG reviewed the TXDOB sworn written affidavit which confirmed the [REDACTED] had not ever submitted/obtained a Texas MSB application/license. (Exhibit 3)

TOIG reviewed a BEP record of [REDACTED] BEP mutilated U.S. currency claims and payments from June 2011 to March 2015. [REDACTED] has been paid for five mutilated currency claims for a total of \$344,000. [REDACTED] has not been paid for the above listed \$16,100 of mutilated U.S. currency that was received by BEP from the Lowery Bank on February 25, 2015. (Exhibit 4)

[Agent's Note: The case predication information stated [REDACTED] had been paid \$399,000 in claims of mutilated currency. The aforementioned record denotes that [REDACTED] was only paid \$344,000 due to inaccurate count submissions by [REDACTED] of the previous five claims.]

TOIG telephonically made contact with [REDACTED] at [REDACTED] [REDACTED] assisted with the previous translation of the September 21, 2015, [REDACTED] subject interview. TOIG advised [REDACTED] that [REDACTED] needed to apply/obtain another FinCEN RMSB if he was going to continue to exchange U.S. currency. TOIG advised the RMSB would be good for two years and additionally, [REDACTED] would have to adhere to the Bank Secrecy Act (BSA) and Anti-money laundering (AML) regulations that are requirements of the RMSB. TOIG also informed [REDACTED] that [REDACTED] would have to apply/obtain a TX MSB license which included submitting a \$500,000 surety bond with the TXDOB.

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Report of Investigation

Case Name: [REDACTED]

Case # BEP 15-1491-I

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TOIG stated that the mutilating of U.S. currency was a prosecutable federal violation.

[REDACTED] acknowledged and was appreciative of the communication and stated [REDACTED] would stop exchanging the U.S. currency until he was in compliance with FinCEN and the TXDOB. [REDACTED] stated that he would immediately advise [REDACTED] (Exhibit 5)

[Agent's Note: This communication was made to [REDACTED] to ensure there was no miscommunication.]

Referrals

On September 29, 2016, TOIG referred this case to [REDACTED], Assistant U.S. Attorney (AUSA), USAO, Southern District of TX, Houston, TX, for criminal prosecution of [REDACTED] for violations 18 USC § 1960 – Unlicensed/unregistered money service business (MSB), and Title 18 USC § 331 – Mutilation, diminution, and falsification of coins/currency. AUSA [REDACTED] declined the matter for criminal prosecution due to lack of prosecutorial merit. (Exhibit 6)

On October 3, 2016, this case was referred to [REDACTED], Assistant District Attorney (ADA), Fort Bend County District Attorney's Office (DAO), Richmond, TX, for criminal prosecution of [REDACTED] for violations of Texas Finance Code (TFC) Title 3 - Financial Institutions and Businesses; Chapter 151 – Regulation of Money Service Businesses. ADA [REDACTED] declined the matter for criminal prosecution the lack of prosecutorial merit. (Exhibit 7)

Judicial Action

N/A

Findings

The investigation determined that the allegation is unsubstantiated. Specifically, there was no evidence discovered in the course of the investigation to suggest that [REDACTED] was intentionally burning the currency prior to it being presented as mutilated. Additionally, in March 2012, [REDACTED] had filed a RMSB with the FinCEN. The RMSB was in good standing until March 2014. The USAO declined criminal prosecution of [REDACTED]

Distribution

[REDACTED], Supervisory Criminal Investigator and Manager, BEP

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Report of Investigation

Case Name: [REDACTED]

Case # BEP 15-1491-I

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Signature

[REDACTED] _____

Nov 2, 2016
Date

Supervisor: _____

Anthony J. Scott

11/14/16
Date

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Report of Investigation

Case Name: [REDACTED]

Case # BEP 15-1491-I

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Exhibits

1. Case Predication Information, dated October 3, 2016.
2. Memorandum of Activity, Subject Interview – [REDACTED] [REDACTED] dated October 6, 2016.
3. Memorandum of Activity, Texas Department of Banking, dated October 4, 2016.
4. Memorandum of Activity, Bureau of Engraving & Printing Records, dated October 3, 2016.
5. Memorandum of Activity, Witness Interview – [REDACTED] [REDACTED] [REDACTED] dated October 6, 2016.
6. Memorandum of Activity, AUSA Declination, dated October 3, 2016.
7. Memorandum of Activity, TX State Declination, dated October 6, 2016.

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REPORT OF INVESTIGATION
DO-12-2650-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] Solar, Inc. (ARRA)

Case #: DO-12-2650-I

Investigation Initiated: October 22, 2012

Case Type: Criminal X
Administrative
Civil

Investigation Completed: MAY 03 2016

Conducted by: [REDACTED]
Special Agent

[REDACTED]
(Former Case Agent)

Origin: Other Agency Referral

Approved by: Jerry S. Marshall
Deputy Assistant Inspector
General

Summary

On October 22, 2012, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), initiated an investigation as a result of information obtained from the Department of Energy, Office of Inspector General, Office of Investigations (DOE-OIG) and the Environmental Protection Agency-Criminal Investigations Division (EPA-CID) regarding an investigation they were conducting regarding a Qui Tam filed with the Department of Justice. The Qui Tam alleged [REDACTED] Solar Inc. ([REDACTED]) made false representations in order to obtain a \$400,000,000 loan. [REDACTED] had drawn down over \$68,000,000 and allegedly violated environmental laws in connection with the use and disposal of Cadmium Chloride, a highly toxic chemical.

The investigation determined that the allegation was unsubstantiated. Specifically, there was not enough evidence regarding [REDACTED] decision-makers knowingly not disclosing material information of its solar panel performance to DOE in late 2010 in connection with its application for the \$400M loan guarantee. In addition, the investigation also did not substantiate alleged violations of the Resource Conservation and Recovery Act (RCRA) or the Clean Water Act (CWA).

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Basis and Scope of the Investigation

On June 8, 2012, a Qui Tam was filed in the U.S. Attorney's Office in the District of Colorado, 1225 17th Street, Suite 700, Denver, CO, alleging violations of the False Claims Act by [REDACTED] Solar, Inc. According to the Qui Tam, on December 9, 2010, [REDACTED] was approved for a \$400M loan guarantee under the DOE's Loan Guarantee Program (LGP) which was created "as part of the American Recovery and Reinvestment Act of 2009 (ARRA) to jumpstart the country's clean energy sector by supporting projects that deployed commercial technologies, but had difficulty securing financing in a tight credit market." [REDACTED] obtained the loan under section 1705 of the Energy Policy Act Title XVII. The section 1705 loan guarantee for \$400M to [REDACTED] was funded by the Federal Finance Bank (FFB). The FFB is an instrument of the U.S. government created by the Federal Financing Bank Act of 1973 and under the supervision of the Secretary of Treasury. Although the \$400M loan was issued by the FFB, the loan and funds were guaranteed by the DOE.

The Qui Tam alleged [REDACTED] made false or misleading representations to DOE including 1) [REDACTED] "falsely represented that it was disposing of the toxic waste [Cadmium Chloride] properly when, in fact, it had been illegally dumping this substance into the Weld County, Colorado landfill at numerous times since 2009" and 2) [REDACTED] "[failed] to disclose the serious and prevalent product defects" of its solar panels which led to "concealment of the financially material issues of product replacement, potential liability in connection with electrical fires, predictability inability to maintain market share once the problems became known, and a delayed – but ultimately unavoidable – cost of disposing of the defective products as hazardous waste." Through several loan draw-downs, [REDACTED] received approximately \$68M of the \$400M loan before declaring bankruptcy in or around June 2012. (Exhibits 1 & 2)

In September 2012, TOIG was notified by DOE-OIG of the Qui Tam allegations and the joint investigation by DOE-OIG and EPA-CID.

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

- [REDACTED], Design Engineer, [REDACTED]
- [REDACTED], Senior Investment Officer, DOE.
- [REDACTED], Contractor, Financial Advisor, DOE.
- [REDACTED], (former) Project Manager for Technical Support, DOE.

In addition, TOIG reviewed pertinent documents, including:

- Federal Finance Bank Loan to [REDACTED]

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Investigative Activity

The TOIG review of FFB loan documents showed the \$400M loan was approved on December 9, 2010. The loan agreement was executed by [REDACTED], Vice President, FFB, [REDACTED], Manager, [REDACTED] and [REDACTED], Director, Loan Guarantee Program (LGP). The listed collateral agent is Midland Loan Services. The loan breakdown is as follows:

Maximum Principal Amount: \$369,744,430

Maximum Capitalized Interest: \$30,255,570

First Interest Payment: June 9, 2014

Maturity Date: March 9, 2022

In a December 9, 2010, a memorandum issued by [REDACTED], Secretary and Chief Financial Officer, FFB, with the subject of FFB Commitment to Purchase Obligations Guaranteed by the Secretary of Energy under Title XVII of the Energy Policy Act of 2005, recommended to proceed with the finance agreement because DOE would issue a 100 percent loan guarantee to [REDACTED]. The proceeds of the loan would be used to finance construction of cadmium telluride thin film solar panel manufacturing facilities in Colorado and Indiana.

[REDACTED] requested and received a total \$68,147,700 broken down into six payments from the period beginning December 9, 2010, through August 16, 2011. All requests for payments were made by Abely and approved by Frantz. (Exhibit 3)

On or about September 9, 2013, the Federal Bureau of Investigation (FBI), joined the investigation. The FBI worked in conjunction with an Investigator from the Weld County District Attorney's Office (Weld County DA), in Greeley, Colorado. Also on September 9, 2013, [REDACTED] external hard drives previously seized by DOE-OIG were transferred into custody of FBI for forensic analysis and review.

Several commercial purchasers of [REDACTED] solar panels were located in Germany and on September 17, 2013, TOIG and DOE-OIG provided a draft Mutual Legal Assistance Treaty (MLAT) to the FBI for records relating to those [REDACTED] customers operating or located in Germany. The MLAT was later transmitted by the USAO.

TOIG continued to provide assistance to the investigation by providing additional FFB documentation and identifying potential Treasury witnesses involved with the [REDACTED] application and loan drawdowns.

Continued investigative activity including a review of records, MLATs, interviews of witnesses, and USAO proffer sessions failed to obtain sufficient evidence supporting the elements of any potential fraud charges. (Exhibit 4)

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Referrals

On August 28, 2013, this investigation was referred to [REDACTED], Assistant United States Attorney (AUSA), U.S. Attorney's Office (USAO), District of Colorado, for criminal prosecution of [REDACTED] in connection with loan fraud and violations of the RCRA and CWA. On January 20, 2016, AUSA [REDACTED] advised TOIG the investigation was declined for criminal prosecution. (Exhibits 5 & 6)

Judicial Action

N/A

Findings

The investigation determined that the allegation was unsubstantiated. Specifically, there was not enough evidence regarding [REDACTED] decision-makers knowingly not disclosing material information of its solar panel performance to DOE in late 2010 in connection with its application for the \$400M loan guarantee. In addition, the investigation also did not substantiate alleged violations of the Resource Conservation and Recovery Act (RCRA) or the Clean Water Act (CWA).

Distribution

N/A

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Report of Investigation

Case Name: [REDACTED] Solar, Inc.

Case # DO-12-2650-I

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Signatures

Case Agent: [REDACTED]

4/19/16
Date

Supervisor: [REDACTED]

22 Apr 2016
Date

Jerry S. Marshall

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Exhibits

1. Complaint Initiation, dated September 20, 2012.
2. Qui Tam Submitted by [REDACTED], P.C., dated June 8, 2012.
3. Memorandum of Activity, Review of Federal Finance Bank documents, dated October 18, 2012.
4. Memorandum Activity, Review of Declination Issued by AUSA [REDACTED],
dated March 14, 2016.
5. Memorandum of Activity, AUSA Referral, dated August 21, 2014.
6. Memorandum of Activity, AUSA Declination, dated January 29, 2016.

**REPORT OF INVESTIGATION
OCC-16-2767-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]

Retired
Senior Supervision Information
Analyst
Office of the Comptroller of the
Currency

Case #: OCC-16-2767-I

Case Type: Criminal _____
Administrative X
Civil _____

Conducted by: [REDACTED]
Special Agent

Investigation Initiated: September 9, 2016

Approved by: Anthony J. Scott
Special Agent in Charge

Investigation Completed: DEC 27 2016

Origin: Office of the Comptroller of the Currency

Summary

On September 9, 2016, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), initiated an investigation based on information received from the Office of the Comptroller of Currency (OCC), reporting that [REDACTED] a retired employee had downloaded approximately 56,350 OCC files onto a thumb drive or thumb drives from November 21, 2015 through November 27, 2015 without authorization. (Exhibit 1)

The investigation determined that the allegation was substantiated. [REDACTED] admitted to downloading files to thumb drives. However, to the best of his recollection [REDACTED] entered the thumb drives into digital destruction at the OCC upon his departure on November 27, 2015. [REDACTED] also allowed forensic reviews of his two personal laptop computers which showed no evidence of any OCC files on either computer. [REDACTED] also advised TOIG that he diligently searched his residence in Florida, where he now resides, for the thumb drives and met with negative results.

The Federal Information Security Management Act of 2002 ("FISMA", 44 U.S.C. § 3541, et seq.) is a United States federal law enacted in 2002 as Title III of the E-Government Act of 2002 (Pub.L. 107-347, 116 Stat. 2899). The act recognized the importance of information security to the economic and national security interests of the United States (www.wikipedia.com); OCC made a notification to Congress outlining the details of an employee downloading over 10,000 files in November 2015 and OCC's inability to retrieve the information. (Exhibit 2)

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Basis and Scope of the Investigation

On September 9, 2016, TOIG, initiated an investigation based on information received from the OCC, reporting that [REDACTED] [REDACTED] retired Senior Supervisor Information Analyst, downloaded 56,350 files to a Lexar Universal Serial Bus (USB) prior to retirement in November, 2015 without authorization.

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

- [REDACTED] Privacy Program Manager, OCC
- [REDACTED], Auditor, OCC
- [REDACTED] [REDACTED] Senior Supervisor Information Analyst, OCC, Retired

In addition, TOIG reviewed pertinent documents, including:

- Core Management Group Excel Spreadsheet of 56,350 file names

Investigative Activity

TOIG conducted a simultaneous telephonic interview with [REDACTED] and [REDACTED] to acquire details about the incident. [REDACTED] stated that OCC was looking at patterns of downloads when they discovered a spike in [REDACTED] activity during the week he retired (November 21-27, 2015).

[REDACTED] also explained that it is unknown where [REDACTED] got all of the files, (some may have been off his work laptop hard drive directly). [REDACTED] stated that a Lexar USB was utilized as the storage device for the files. However, they cannot produce a serial number for the USB nor is it known if there were multiple USBs used by [REDACTED] [REDACTED] stated that [REDACTED] work laptop has already been re-imaged and re-issued.

[REDACTED] did advise that OCC has a new policy directive concerning flash drives. [REDACTED] stated that all USB ports are inactive. If an employee wants to download anything to a USB flash drive, they must make an official request that must be approved by their manager. The employee is then given an authorized USB flash drive and once the download is complete, the manager gets a copy of what was downloaded. This was implemented July/August 2016. (Exhibit 3)

OCC advised that in [REDACTED] personnel file, there was no evidence that [REDACTED] signed exit paperwork nor did he sign OCC's notice of non-removal of records. (Exhibit 4)

In an interview with TOIG, [REDACTED] explained that he remembers downloading files because he wanted to keep memories of the projects he completed over the past thirty years at OCC. [REDACTED] advised that he remembers the thumb drives being password protected and encrypted. [REDACTED]

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Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # OCC-16-2767-I

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stated that he does not remember the password. [REDACTED] was very cooperative and allowed TOIG to complete forensic reviews of his two laptops which met with negative results for any OCC files. [REDACTED] stated that to the best of his recollection, he used two USB thumb drives to download the files. [REDACTED] stated that before he left OCC on his last day, he put the two USB drives in the digital destruction bin at OCC. [REDACTED] was cooperative and searched his residence and personal belongings for the USB devices, which met with negative results. [REDACTED] provided a statement. (Exhibit 5,6,7 and 8)

Referrals

N/A

Judicial Action

N/A

Findings

The investigation determined that the allegations were substantiated. [REDACTED] admitted to TOIG that he downloaded OCC files to two USB thumb drives. [REDACTED] was not aware that sensitive information was in the files. [REDACTED] stated that he placed the two USB thumb drives in the OCC digital destruction bin before departing on his last day at OCC, November 27, 2015.

Distribution

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

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Report of Investigation

Case Name: [REDACTED]

Case # OCC-16-2767-I

Page 4 of 5

Signatures

Case Agent:

[REDACTED]

11/18/14
Date

Supervisor:

[REDACTED]

12/20/16
Date

Anthony J. Scott

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Exhibits

1. Lead Initiation Complaint, dated September 7, 2016.
2. Memorandum of Activity, OCC report to Congress, dated October 28, 2016.
3. Memorandum of Activity, Interview of [REDACTED] [REDACTED] and [REDACTED], dated September 21, 2016.
4. Memorandum of Activity, Information Obtained from OCC, dated October 19, 2016.
5. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated September 23, 2016.
6. Memorandum of Activity, [REDACTED] [REDACTED] statement, dated October 4, 2016.
7. Memorandum of Activity, Cyber Forensic Review, dated September 23, 2016.
8. Memorandum of Activity, Cyber Forensic Review, dated November 2, 2016.

**REPORT OF INVESTIGATION
ZZZ-15-1537-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]
(Private Citizen)

Case #: ZZZ-15-1537-I
Case Type: Criminal X
Administrative
Civil

Investigation Initiated: June 2, 2015

Conducted by: [REDACTED]
Special Agent

Investigation Completed: MAY 03 2016

Approved by: Jerry S. Marshall
Special Agent in Charge

Origin: United States Attorney's Office
District of Delaware

Summary

In May 2015, the United States Attorney's Office, District of DE (USAO-DE), requested the U.S. Department of Treasury Office of Inspector General (TOIG) to investigate a possible money laundering case involving [REDACTED]. Information obtained from financial institutions reflected "suspicious money movement" involving a Barclays Bank, CheckFreePay Corporation, K-Mart, and Paypal Inc. Specifically, Paypal records reflected that [REDACTED] was making large debit card purchases through Paypal and making withdrawals to Citadel FCU and E-Trade Bank from December 2014 to May 2015, totaling \$70,848.89. CheckFreePay Corporation documents reflected that [REDACTED] had made 80 payments to four credit cards using multiple debit cards and cash totaling \$151,401 at two K-Mart stores in DE. Barclay Bank documents reflected that from December 2014 to February 2015, [REDACTED] made 88 purchases aggregating to \$128,097.59 for gift cards. [REDACTED] then made 57 payments totaling \$113,294.35 from CheckFreePay. The USAO-DE believed the aforementioned activities were suspicious and required investigation.

The investigation determined that the allegation was unsubstantiated. A synopsis of [REDACTED]'s activities were presented to the USAO-DE and declined for prosecution.

Basis and Scope of the Investigation

In May 2015, the USAO, District of Delaware requested an investigation into suspicious activity involving [REDACTED]'s bank accounts and credit cards.

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

- [REDACTED] [REDACTED] Computer Specialist, [REDACTED] Hospital

In addition, TOIG reviewed pertinent documents, including:

- [REDACTED]'s Equifax Credit Report
- [REDACTED]'s Experian Credit Report
- [REDACTED]'s Transunion Credit Report
- [REDACTED]'s CheckFreePay Records
- [REDACTED]'s PayPal Records
- [REDACTED]'s E-Trade Bank Records
- [REDACTED]'s Citizen's Bank Records
- [REDACTED] Barclay's Bank Records
- [REDACTED] M&T Bank Records
- [REDACTED]'s WSFS Bank Records

Investigative Activity

In an interview with TOIG, [REDACTED] provided the following information:

[REDACTED] currently resides at [REDACTED], [REDACTED], [REDACTED]. [REDACTED] rents this residence from [REDACTED]. [REDACTED] resides there simply for convenience because it is minutes from his work. [REDACTED] and [REDACTED] bought the residence at [REDACTED], [REDACTED], [REDACTED] in December 2013. [REDACTED] and [REDACTED] recently married. She currently resides at that residence. [REDACTED] hopes to end his lease soon and reside with [REDACTED] at their residence on [REDACTED]. [REDACTED] has been employed with [REDACTED] Hospital since 2009, as a Computer Specialist, and earns approximately \$60,000 per year.

[REDACTED] stated that he learned about "manufactured spending" on-line and has been in various chat rooms regarding the process. [REDACTED] explained that he purchases gift cards on his credit card to earn points. [REDACTED] then can use some gift cards and pre-paid debit cards to purchase money orders to pay off the credit card. [REDACTED] also uses PayPal "MyCash" cards and an organization "CheckFreePay" to pay off the credit cards. [REDACTED] stated that one can use cash, gift cards or pre-paid debit cards to pay credit card bills at CheckFreePay

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terminals which are located in K-Marts and other locations. [REDACTED] stated that CheckFreePay has a limit of \$2,500 per transaction so he often had to go several times per week to make payments to his credit card. [REDACTED] stated that he also went to Giant Food Stores in DE and PA to purchase money orders. Giant Foods Inc. had a \$5,000 day limit to the purchase of money orders, but he found that the PA stores were in a different regional division so he could purchase money orders in both areas and increase his limit.

[REDACTED] stated that his main credit card was from Barclays Bank because it paid 2% in points per every dollar spent in a purchase. [REDACTED] was the main user and paid the monthly bill on the credit card, but added his [REDACTED], his [REDACTED] and his [REDACTED] as authorized users to the account because his credit limit was increased \$5,000 per month for each user. [REDACTED] stated that none of the aforementioned individuals actually used the credit cards for personal use or bought gift cards. [REDACTED] simply asked them if he could use their names and identifiers to open accounts and used their accounts to increase his limit.

[REDACTED] stated that he once had bank accounts with Wells Fargo Bank, PNC, Citizens Bank, E-Trade, M&T Bank, UFB, WSFS, and Pentagon FCU. He had credit cards with Barclays and Chase Bank and two with American Express. [REDACTED] stated that in the summer and fall of 2014, he was moving over \$100,000 through his credit cards and bank accounts monthly. [REDACTED] stated that he would spend two hours per day after work purchasing gift cards and money orders, and going to CheckFreePay to pay off the cards. By doing this, he was able to earn enough credit card points to travel to New Orleans, LA; San Francisco, CA; St. Lucia, and Iceland in 2015.

[REDACTED] said that no one has spoken to him about this process except for some Giant Food Inc. investigators who questioned his frequent purchase of money orders at Giant in 2015. [REDACTED] informed them that it was simply for credit card points. Several of his banks have also written him letters stating that they were closing his accounts, but the letters did not provide specific reasons. He stated that Barclays, PNC, Citizens, and UFB have closed his accounts.

[REDACTED] added that others in his manufactured spending chat room have stated that they have been interviewed by investigators and/or special agents so he was not surprised when TOIG requested to speak with him. He stated that he is still collecting points, but it has been reduced greatly with the closing of several of his accounts.

[REDACTED] claims no legal issues except for a driving while intoxicated charge in DE in 2009. He claims no gambling issues or drug use. (Exhibit 1)

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Referrals

On April 5, 2016, TOIG presented a case involving possible money laundering to the USAO-DE. Because "manufactured spending" is not illegal, [REDACTED], Assistant United States Attorney, USAO, District of DE, declined the case for prosecution. (Exhibit 2)

Judicial Action

NA

Findings

In May 2015, the USAO-DE requested an agency to investigate a possible money laundering case involving [REDACTED]. TOIG obtained records from several financial institutions and found significant funds being transferred through bank accounts and credit cards. There was no apparent reason for these transactions.

TOIG interviewed [REDACTED] and he stated that he was practicing "manufactured spending" which he learned on the internet. This is a process to purchase gift cards and pre-paid debit card on a credit card, and then paying off the credit card through money orders purchased with the prepaid debit cards and through CheckFreePay. [REDACTED] admitted to moving over \$100,000 per month through his credit cards and banks. This process allowed him to accrue enough credit card points to take several domestic and international trips.

The USAO-DE was briefed on the aforementioned information. The USAO-DE, declined to prosecute because this process is not illegal.

Distribution

NA

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Signatures

Case Agent:

[REDACTED] [REDACTED]
[REDACTED]

4/20/16
Date

Supervisor:

[REDACTED]
Jerry S. Marshall

22 APR 2016
Date

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Exhibits

1. Memorandum of Activity, Interview of [REDACTED] Computer Specialist, dated April 4, 2016.
 2. Memorandum of Activity, Presentation to USAO-DE, dated April 5, 2016.
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REPORT OF INVESTIGATION
USM-16-1985-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]
Contractor

Case #: USM-16-1985-I

Case Type: Criminal
Administrative X
Civil

Investigation Initiated: June 17, 2016

Investigation Completed: OCT 05 2016

Conducted by: [REDACTED]
Special Agent

Origin: United States Mint

[REDACTED]
Special Agent

Approved by: Jerry S. Marshall
Deputy Assistant Inspector
General

Summary

The U.S. Department of the Treasury (Treasury), Office of Inspector General, Office of Investigations (TOIG), initiated an investigation based on information received from the United States Mint (USM) that [REDACTED] an Information Technology (IT) contractor had uploaded USM information to Internet-based storage (the cloud).

The investigation determined that the allegation was substantiated. [REDACTED] admitted to uploading USM and other government agencies' information to cloud storage and a forensic review of his laptop confirmed this. [REDACTED] consented to the deletion of internal USM and other government agency information.

Basis and Scope of the Investigation

TOIG initiated an investigation based on information received from USM that [REDACTED] had uploaded USM information to cloud-based storage. (Exhibit 1)

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

- [REDACTED] Chief, Security Operations Branch, Information Security Division, USM
- [REDACTED] contractor

In addition, TOIG reviewed pertinent documents, including:

- USM IT Rules of Behavior, Non-Disclosure Agreement (NDA), Warning Banner
- [REDACTED]'s training records
- Lenovo G51 laptop and Samsung Note 5 mobile phone belonging to [REDACTED]

Investigative Activity

In an interview with TOIG, [REDACTED] stated that on June 1, 2016, her branch received a network alert that a possible key generator (a computer program that generates a product licensing key, such as a serial number, necessary to activate and use a software application) was being downloaded. A member of her staff, USM employee [REDACTED] logged in to the workstation which generated that alert to confirm it and discovered that Dropbox and Google Drive were installed.

[AGENT NOTE: Google Drive is a cloud-based file storage and synchronization service that allows users to store files, share and them. Dropbox is another cloud-based file storage and synchronization service. Both Google Drive and Dropbox allow users to create a special folder on their computers, which is synchronized to the cloud and additional devices that are associated with that account. The content in both services can also be accessed via a web browser.]

[REDACTED] advised that [REDACTED] contacted [REDACTED] and requested that he bring his work laptop to the Information Security Division. After about ten minutes, [REDACTED] and [REDACTED] went directly to [REDACTED] work station and retrieved his laptop. [REDACTED] later informed [REDACTED] that [REDACTED] had called him; however, [REDACTED] was not at his desk to answer the phone. [REDACTED] reported to [REDACTED] that during his forensic acquisition of [REDACTED] USM-issued laptop, he noticed Dropbox had been deleted.

[REDACTED] advised [REDACTED] was an Applications Group Administrator supporting Hyperion, the financial planning application at the USM. As such, [REDACTED] has local administrator rights on his USM-issued laptop. [REDACTED] stated that [REDACTED] should not have downloaded Dropbox or

Google Drive onto his USM-issued laptop as they are not authorized at the USM; however, it appears he used his administrative privileges to do so.

[REDACTED] stated that upon looking into Google Drive on [REDACTED] laptop, she could see folders labeled 'USMint', 'SSA', 'HUD', and 'DOE'. [REDACTED] nor [REDACTED] opened any folders except the 'USMint' folder which revealed files and documents related to the USM. [REDACTED] stated that none of the information was sensitive or Top Secret; however, [REDACTED] should not have had possession of USM documents on Google Drive. [REDACTED] stated that it appeared that [REDACTED]'s Personally Identifiable Information (PII) and his family's PII were in that folder. [REDACTED] stated that there was also a file of the Hyperion passwords. [REDACTED] stated she notified Lockheed Martin, the contractor [REDACTED] works for, through [REDACTED] supervisor, [REDACTED], and by June 4, 2016, all passwords had been changed.

[REDACTED] and [REDACTED] stated that they sent the folders labeled SSA, HUD and DOE to the Government Security Operations Center (GSOC) for further investigation since it was other federal agency information. [REDACTED] stated that Google Drive and Dropbox are both blocked at the Web Gateway Level at the USM.

[REDACTED] verified that on June 1, 2016, all of [REDACTED] user accounts and elevated account were disabled. [REDACTED] stated that [REDACTED] USM-issued laptop and Blackberry were collected and held in a secure location at the USM.

[REDACTED] provided the INFOSEC Incident Report: [REDACTED] 06012016 via email which had two embedded files: [REDACTED] directory export and [REDACTED] apology email. (Exhibit 2)

In an interview with TOIG, [REDACTED] stated he worked as a Systems Analyst/Hyperion Administrator at USM for approximately two years and nine months as a subcontractor for Lockheed Martin and his Lockheed Martin supervisor is [REDACTED]. Hyperion is the platform for the accounting department/budget department. [REDACTED] is no longer employed by Lockheed Martin.

[REDACTED] stated that he had previously done Hyperion platform work for U.S. Postal Service, Department of Energy, and the U.S. House of Representatives.

[REDACTED] explained that he had Google Drive and Dropbox on his USM-issued laptop as a backup system and did not access it from his personal computer or his smartphone. He would put work products, design documents, and other files in Google Drive and/or Dropbox and that he had done so for other agencies he worked for as well. His reasoning was that he had once kept his files on a work computer, but that work computer was re-formatted and he lost all of his files.

[REDACTED] stated that when the USM IT personnel advised him to surrender his USM-issued laptop, he tried to delete only his PII from Dropbox. [REDACTED] stated he did store PII Google Drive and Dropbox, but that it was his PII in the form of personal documents.

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[REDACTED] signed a Consent to Search (OI Form 36) allowing TOIG to search his personal laptop and smartphone for files belonging to the U.S. Government.

TOIG began searching [REDACTED] Lenovo laptop; however, the battery died and [REDACTED] did not have a power cord at his residence and advised that he left the power cord in Brazil with his wife whom he just returned from visiting on July 6, 2016. [REDACTED] gave verbal permission for TOIG to take the laptop and continue the search at a later date. [REDACTED] willingly gave TOIG the password to the laptop. TOIG was able to access Google Drive and Dropbox on [REDACTED] personal cell phone. [REDACTED] was cooperative and complied with allowing TOIG to delete any folders or files pertaining to the U.S. Government.

[REDACTED] stated that he understands he was not to download any applications without getting consent from USM. [REDACTED] stated that he did attempt to download the SmartDraw software for diagrams in order to complete his work. (Exhibit 3)

With consent from [REDACTED] TOIG performed a review of [REDACTED] Lenovo G51-35 laptop and a Samsung Note 5 mobile phone to identify and remove files that were the property of the U.S. government. TOIG located files pertaining to the work [REDACTED] performed for the USM, the Department of Energy, the Social Security Administration and the Department of Housing and Urban Development. These files were deleted from the laptop and mobile phone and then the mobile phone was synced with Google Drive and Dropbox, so that the deletions would propagate to the cloud storage providers. TOIG returned the laptop to [REDACTED] on July 8, 2016 and [REDACTED] verbally confirmed that the laptop was returned to him in the condition he provided it to TOIG. [REDACTED] was cautioned that if he came across any other U.S. government files, he was to delete them immediately. (Exhibit 4)

USM provided TOIG with copies of the USM IT Rules of Behavior, the USM warning banner, a history of [REDACTED] training, and the NDA signed by [REDACTED] (Exhibit 5)

Referrals

N/A

Judicial Action

N/A

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Case Name: [REDACTED]

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Findings

The investigation determined that the allegation was substantiated. [REDACTED] admitted to uploading USM and other government agencies' information to cloud storage and a forensic review of his laptop confirmed this. [REDACTED] consented to the deletion of internal USM and other government agency information.

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

- [REDACTED] NDA
- USM IT Rules of Behavior

Distribution

Dennis O'Connor, Chief, USM Police

Signatures

Case Agents:

[REDACTED]
Signature [REDACTED]

7/10/16
Date

[REDACTED]
Signature [REDACTED]

7/10/16
Date

Supervisor:

[REDACTED]
Signature Jerry S. Marshall

9/19/16
Date

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Exhibits

1. Lead Initiation Document, dated June 7, 2016.
2. Memorandum of Activity, Interview of [REDACTED] dated June 24, 2016.
3. Memorandum of Activity, Interview of [REDACTED] dated July 7, 2016.
4. Memorandum of Activity, Forensic Review, dated July 8, 2016.
5. Memorandum of Activity, USM Documents, dated June 21, 2016.