



# governmentattic.org

*"Rummaging in the government's attic"*

Description of document: Department of the Treasury (USDT) Office of Inspector General (OIG) Selected Investigation Reports for Investigations Closed in 2017

Requested date: 27-December-2017

Release date: 10-August-2022

Posted date: 17-October-2022

Note: Despite description above and contents of the release letter, records for only 25 OIG investigations were received

Source of document: Freedom of Information Request  
Departmental Offices Director  
FOIA and Transparency  
Department of the Treasury  
Office of the Inspector General  
1500 Pennsylvania Ave. NW  
Washington D.C. 20220  
[Submit a FOIA Request Online](#)  
Email: [FOIA@treasury.gov](mailto:FOIA@treasury.gov)  
[FOIAonline](#)

The governmentattic.org web site ("the site") is a First Amendment free speech web site and is noncommercial and free to the public. The site and materials made available on the site, such as this file, are for reference only. The governmentattic.org web site and its principals have made every effort to make this information as complete and as accurate as possible, however, there may be mistakes and omissions, both typographical and in content. The governmentattic.org web site and its principals shall have neither liability nor responsibility to any person or entity with respect to any loss or damage caused, or alleged to have been caused, directly or indirectly, by the information provided on the governmentattic.org web site or in this file. The public records published on the site were obtained from government agencies using proper legal channels. Each document is identified as to the source. Any concerns about the contents of the site should be directed to the agency originating the document in question. GovernmentAttic.org is not responsible for the contents of documents published on the website.



OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

August 10, 2022

Sent via email

Subject:      OIG Freedom of Information Act Request 2017-12-187  
                  Final Response Letter

This responds to your Freedom of Information Act (FOIA) request to the Department of the Treasury (Treasury) for copies of the summary reports of investigation (ROIs), closing memo, or other conclusory document related to 38 closed Treasury OIG investigations.

We searched our investigative data bases, and obtained ROIs or closing memos regarding 37 of the 38 requested cases. No records were found relating to case number OCC-18-0011-I. Of the remaining 37, we have provided the records, with certain personal identifying information relating to subjects, witnesses, and other involved persons redacted pursuant to FOIA Exemption 7C, 5 U.S.C. Section 552(b)(7)(C).

OIG confirms that any refusal of disclosure has been considered under the foreseeable harm standard, 5 U.S.C. § 552(a)(8)(A)(i), and reasonably foresees that disclosure would harm an interest protected by an exemption, or that the disclosure is prohibited by law. As such, the responsive records were reviewed under the FOIA, with information protected from disclosure pursuant to Exemption 7C of the FOIA, as described below.

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

(7) records or information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information... (C) could reasonably be expected to constitute an unwarranted invasion of personal privacy...

## **Appeal**

This is a final response to your request. If you believe this to be an adverse action under the FOIA, you have the right to appeal this determination within 90 days from the date of this letter. By filing an appeal, you preserve your rights under the FOIA and give the agency a chance to review and reconsider your request and the agency's decision. Your appeal must be in writing, signed by you or your representative, and contain the rationale for your appeal. Please address your appeal to:

FOIA Appeal  
FOIA and Transparency  
Privacy, Transparency, and Records  
Department of the Treasury  
1500 Pennsylvania Ave., N.W.  
Washington, D.C. 20220

### **Dispute Resolution and Mediation Services**

If you would like to discuss this response before filing an appeal to attempt to resolve your dispute without going through the appeals process, you may contact the Treasury Departmental Office FOIA Public Liaison via telephone at (202) 622-8098, or email at [FOIAPL@treasury.gov](mailto:FOIAPL@treasury.gov).

If you are unable to resolve your FOIA dispute through our FOIA Public Liaison, the Office of Government Information Services (OGIS) also mediates disputes between FOIA requesters and federal agencies as a non-exclusive alternative to litigation. If you wish to contact OGIS, you may write directly to:

Office of Government Information Services  
National Archives and Records Administration  
8601 Adelphi Road (OGIS)  
College Park, MD 20740-6001  
Email: [ogis@nara.gov](mailto:ogis@nara.gov)  
Website: <https://www.archives.gov/ogis>  
Telephone: (202) 741-5770  
Phone (toll free): 1 (877) 684-6448

If additional questions arise concerning this response, please contact us at [OIGFOIA@oig.treas.gov](mailto:OIGFOIA@oig.treas.gov) and include the above-referenced request number.

Sincerely,

Rich Delmar  
Deputy Inspector General

**REPORT OF INVESTIGATION  
BANK-10-2246-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:** La Jolla Bank

**Case #:** BANK-10-2246-I

**Case Type:** Criminal   X    
Administrative         
Civil       

**Investigation Initiated:** June 16, 2010

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

**Investigation Completed:** MAY 17 2017

[REDACTED], [REDACTED]  
(Former Case Agents)

**Origin:** Treasury Inspector General  
Office of Audit

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

### Summary

On June 8, 2010, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), initiated an investigation into La Jolla Bank (LJB), in La Jolla, CA, based on a referral by the Department of the Treasury, Office of Inspector General, Office of Audit (OA). OA conducted a Material Loss Review (MLR) of LJB after LJB was placed into Receivership on February 19, 2010 by the Department of the Treasury, Office of Thrift Supervision (now, and hereinafter referred to as, the Office of the Comptroller of the Currency (OCC)). The MLR alleged fraudulent activity and improper behavior of senior officers at the bank. At the time of Receivership, LJB reported more than \$1 billion in assets.

The investigation determined that the allegations were substantiated. In the U.S. District Court for the Southern District of California (SDCA), former Small Business Administration (SBA) loan manager Amalia Martinez pleaded guilty to Conspiracy, private loan broker Jocelyn Brown pleaded guilty to making a false statement, LJB borrower Annand Sliuman pleaded guilty to Bank Bribery, and Sliuman's assistant, Laura Ortuondo, pleaded guilty to making a false statement. Among the four defendants, a Federal judge ordered a total of 12 years of probation, 58 months home detention, and restitution of \$2,533,805.53.

Other investigating law enforcement (LE) agencies included the FBI, FDIC-OIG, Treasury Inspector General for Tax Administration (TIGTA), SBA-OIG, and Federal Housing Finance Administration (FHFA)-OIG.

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

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

On February 19, 2010, the OCC placed La Jolla Bank into Receivership. On June 8, 2010, OA referred the case to TOIG for further investigation, alleging possible diversion of funds to [REDACTED] who was the father of LJB Chief Executive Officer (CEO) [REDACTED], an improper commission paid to LJB Chief Credit Officer (CCO) [REDACTED], and improper diversion of LJB funds to its holding company, [REDACTED]. The referral also noted investigations by the FDIC-OIG into CEO [REDACTED]'s payments to [REDACTED] an OCC review of a lawsuit against LJB by a third party, and questionable real estate appraisals. (Exhibit 1)

The investigation expanded to include loans to clients known as "Friends of the Bank" (FOBs) and allegations of bribery in order to obtain or modify loans.

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

- [REDACTED], Loan Specialist, LJB
- [REDACTED] VP of Operations, LJB
- [REDACTED], Chairman of the Audit Committee, LJB
- [REDACTED], Vice Chairman of the Audit Committee, LJB
- [REDACTED], President/CEO, LJB
- [REDACTED], Chief Credit Officer, LJB
- [REDACTED], VP/CFO/Chief Admin Officer, LJB
- [REDACTED], Counsel/Controller, LJB
- [REDACTED]
- [REDACTED], AVP Loan Operations, LJB
- [REDACTED], Loan Production Manager, LJB
- [REDACTED], Loan Disbursement Manager, LJB
- [REDACTED], Regional Loan Officer, LJB
- [REDACTED], Appraiser, LJB
- [REDACTED], Construction Inspection Manager, LJB
- [REDACTED], Special Assets Group Manager, LJB
- [REDACTED], Special Assets Team Manager, LJB
- [REDACTED], Director, Internal Asset Review, LJB
- [REDACTED], Internal Asset Review, LJB
- [REDACTED], Internal Auditor, LJB
- [REDACTED], Human Resources Generalist, LJB
- [REDACTED], Executive Assistant to the President, LJB
- Amalia Martinez, Small Business Administration loan manager, LJB
- Jocelyn Brown, outside loan broker, dealings with LJB
- [REDACTED], Underwriter, LJB
- [REDACTED], Western Region Field Manager, OCC
- [REDACTED], Bank Examiner, OCC

- [REDACTED], Field Manager, OCC
- [REDACTED], LJB Borrower, "FOB"
- [REDACTED], LJB Borrower, "FOB"
- [REDACTED], LJB Borrower, "FOB"
- Annand Sliuman, LJB Borrower, "FOB"
- [REDACTED], LJB Borrower, "FOB"
- Laura Ortuondo, Assistant of Annand Sliuman
- [REDACTED]s, [REDACTED] Accountant
- [REDACTED], [REDACTED] wife, loaned money to [REDACTED]
- [REDACTED], Co-owner Range [REDACTED]
- [REDACTED] Dyson bankruptcy

TOIG reviewed pertinent documents, including:

- OA Material Loss Report
- Thrift Financial Reports (TFRs)
- OCC TFR Instruction Manual
- FDIC Division of Resolutions and Receiverships (DRR) interviews, loan summaries, and other documentation
- OCC Reports of Examination
- [REDACTED] Bankruptcy filings
- Mortgage and other loan applications signed by [REDACTED]
- Lawsuits filed against [REDACTED] and LJB by Sotheby's International Realty, Vegas Diamond Properties, and Johnson Investments, LLC

### Investigative Activity

When LJB failed, FDIC DRR conducted 23 civil interviews of LJB personnel. Some common themes from the interviews regarding LJB culture and reasons for its failure were the more aggressive growth policies followed when [REDACTED] became CEO, the overall downturn in the economy, FOBs receiving special treatment, and issues with loan processing in general. (Exhibit 2)

As the various LE agencies became involved, the investigation initially focused on LJB possibly knowingly submitting false information to OCC on their Thrift Financial Reports. TOIG reviewed the TFR for the period ending December 31, 2008, and 10 out of 40 boxes of documents obtained from OCC (other LE agencies reviewed the remaining 30 boxes). (Exhibit 3)

As the investigation continued, the focus turned to lending practices and the FOBs.

In interviews with LE, Amalia Martinez, former LJB SBA loan manager, admitted to accepting payouts for loans she approved, and implicated [REDACTED], [REDACTED], and Brown. (Exhibit 4)

**This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.**

In an interview with LE, Laura Ortuondo, former assistant to Annand Sliuman, stated that she generated false documents on his behalf and at his direction in order to create the appearance that a property and IRS lien against him had been cleared. (Exhibit 5)

In an interview with LE, Jocelyn Brown, former loan broker, falsely stated that she never saw Martinez accept money in exchange for loans, when in fact, she had. (Exhibit 6)

Interviews, or attempted interviews, of [REDACTED], [REDACTED], and other FOBs were met with negative results, denial of any wrongdoing, or invocation of their right to counsel.

### **Referrals**

In or about October 2010, the U.S. Attorney's Office for SDCA accepted the case for prosecution. (Exhibit 7)

Given the size and scope of the investigation, subjects were identified on a rolling basis over the years, so no other subject-specific prosecution acceptance documents were generated.

### **Judicial Action**

On October 2, 2013, Sliuman pleaded guilty to an Information in SDCA of one count of 18 USC 215, Bank Bribery. (Exhibit 8)

On October 21, 2013, a Grand Jury in the SDCA indicted Ortuondo on two counts of 18 USC 1001, False Statement to a Federal Agent. (Exhibit 9)

On May 1, 2014, Ortuondo pleaded guilty to one count of 18 USC 1001, False Statement to a Federal Agent. (Exhibit 10)

On August 6, 2015, a Grand Jury in the SDCA indicted Brown on one count of 18 USC 371, Conspiracy; four counts of 18 USC 215, Bank Bribery; and one count of 18 USC 1001, False Statement to a Federal Agent. (Exhibit 11)

On September 12, 2015, a Federal Judge in SDCA sentenced Ortuondo to three years of probation and ordered her to pay a fine of \$3,000. (Exhibit 12)

On September 23, 2015, Martinez pleaded guilty to an Information in SDCA of one count of 18 USC 371, Conspiracy. (Exhibit 13)

On April 27, 2016, Brown pleaded guilty to one count of 18 USC 1001, False Statement to a Federal Agent. (Exhibit 14)

On July 18, 2016, a Federal Judge in SDCA sentenced Sliuman to three years of probation and ordered him to pay restitution to FDIC and SBA totaling \$992,582.04. (Exhibit 15)

On August 15, 2016, a Federal Judge in SDCA sentenced Brown to three years of probation and ordered her to pay restitution to FDIC totaling \$82,185. (Exhibit 16)

On August 22, 2016, a Federal Judge in SDCA sentenced Martinez to three years of probation and ordered her to pay restitution to FDIC and SBA totaling \$1,456,073.49. (Exhibit 17)

### Findings

The investigation determined that the allegations were substantiated in part. In U.S. District Court for SDCA, former Small Business Administration loan manager Amalia Martinez pleaded guilty to Conspiracy, private loan broker Jocelyn Brown pleaded guilty to making a false statement, LJB borrower and FOB Annand Sliuman pleaded guilty to Bank Bribery, and Sliuman's assistant Laura Ortuondo pleaded guilty to making a false statement. Among the four defendants, a Federal judge ordered a total of 12 years of probation, 58 months home detention, and restitution of \$2,533,805.53.

### Distribution

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


### Signatures

Case Agent:



5/17/2017  
Date

Supervisor:

  
Anthony J. Scott

5/17/17  
Date



**Exhibits**

1. Memorandum from Marla Freedman, Referral for Investigation, dated June 8, 2010.
2. Memorandum of Activity, FDIC DRR Interview Reviews, dated May 6, 2011.
3. Memoranda of Activity, TFR Review and OCC Document review, dated September 12, 2012 and August 15, 2012, respectively.
4. Memorandum of Activity, Interviews of Martinez, dated March 18, 2015.
5. FBI FD-302, Interview of Ortuondo, dated May 8, 2014.
6. FBI FD-302, Interview of Jocelyn Brown, dated April 21, 2014.
7. Memorandum of Activity, Case Accepted for Prosecution, dated June 15, 2011.
8. SDCA Information, Annand Sliuman, dated October 2, 2013.
9. SDCA Indictment of Laura Ortuondo, dated October 21, 2013.
10. Ortuondo guilty plea, dated May 1, 2014.
11. SDCA Indictment of Jocelyn Brown, dated August 6, 2015.
12. SDCA Judgement and Sentencing of Ortuondo, dated September 12, 2015.
13. Martinez guilty plea, dated September 23, 2015.
14. Brown guilty plea, dated April 27, 2016.
15. SDCA Judgement and Sentencing of Sliuman, dated June 18, 2016.
16. SDCA Judgement and Sentencing of Brown, dated August 15, 2016.
17. SDCA Judgement and Sentencing of Martinez, dated August 22, 2016.

REPORT OF INVESTIGATION  
BEP-16-1206-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-16-1206-I

**Case Type:** Criminal X  
Administrative  
Civil

**Investigation Initiated:** May 16, 2016

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

**Investigation Completed:** JAN 17 2017

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

**Origin:** [REDACTED]  
Supervisory Criminal Investigator  
Bureau of Engraving and Printing

### Summary

On May 16, 2016, the U.S. Department of the Treasury (Treasury), Office of Inspector General, Office of Investigations (TOIG), initiated an investigation based on allegations that the Mutilated Currency Division (MCD) in the Bureau of Engraving and Printing (BEP) identified a mutilated currency redemption claim by [REDACTED] that was suspicious in nature. The suspicious claim was for \$113,000.00.

The investigation determined that the allegation was unsubstantiated. It was determined that the currency submitted by [REDACTED] had been damaged by standing water while being stored in a flooded floor safe.

Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # BEP-16-1206-I

Page 2 of 5

**Basis and Scope of the Investigation**

On May 16, 2016, TOIG initiated an investigation regarding the allegation that [REDACTED] [REDACTED] sent a large amount of mutilated currency to the BEP. (Exhibit 1)

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

- Eric [REDACTED] Mutilated Currency Assistant, BEP
- [REDACTED] [REDACTED] mutilated currency submitter
- [REDACTED] [REDACTED] daughter
- [REDACTED] [REDACTED] son

In addition, TOIG reviewed pertinent documents, including:

- BEP records relating to the mutilated currency submission submitted by [REDACTED]
- Additional documents provided by [REDACTED]

**Investigative Activity**

In an interview with TOIG, [REDACTED] stated that BEP believed the amount of money submitted was high and the mutilated currency could have been exchanged at a local bank. (Exhibit 2)

In an interview with TOIG, [REDACTED] [REDACTED] stated that on December 24, 2015, a leak was discovered in the [REDACTED] home. As a result of the leak, it was also discovered that a floor safe had flooded and subsequently damaged its contents. The contents of the floor safe were described as paper deeds, gold and silver coins, family jewelry and currency; the same currency that was submitted to BEP for exchange.

[REDACTED] [REDACTED] son, [REDACTED] contacted Bank of America about the condition of the currency found in the floor safe and inquired how he could exchange it. Bank of America provided [REDACTED] with plastic bags and instructed him to submit the package to the BEP. [REDACTED] followed the instructions and sent the paper money via the United States Postal Service to the BEP in January 2016.

[REDACTED] stated that he has accumulated money over his lifetime. [REDACTED] once owned a gas station from which he accumulated money. [REDACTED] also saved money he received from birthdays and various gifts. [REDACTED] knew that the amount in the safe and the amount subsequently submitted to the BEP was \$113,000.00 because the currency in his safe was packaged in bundles of \$1,000.00. At the conclusion of the interview, TOIG physically inspected the floor safe. The safe was located in the floor of a closet in a guest bedroom. The inside of the safe was rusted and had a film at the bottom. TOIG also physically inspected several documents that were retrieved from the flooded floor safe. (Exhibit 3)

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # BEP-16-1206-I

Page 3 of 5

In an interview with TOIG, [REDACTED] [REDACTED] [REDACTED] daughter, confirmed the events surrounding the water damaged currency submission. (Exhibit 4)

**Referrals**

N/A.

**Judicial Action**

N/A.

**Findings**

The investigation determined that the allegation was unsubstantiated. It was determined that the currency submitted by [REDACTED] [REDACTED] had been damaged by standing water while being stored in a floor safe. The currency submitted was proceeds from owning a business and gifts received over [REDACTED] lifetime.

**Distribution**

[REDACTED]stero, Investigator, BEP



Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # BEP-16-1206-I

Page 4 of 5

Signatures

Case Agent:

[REDACTED]

11/21/16  
Date

Supervisor:

[REDACTED] [REDACTED]

1/17/17  
Date

Anthony J. Scott

Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # BEP-16-1206-I

Page 5 of 5

**Exhibits**

1. Complaint to TOIG, dated March 10, 2016.
2. Memorandum of Activity, Interview of [REDACTED] dated June 29, 2016.
3. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated September 8, 2016.
4. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated October 24, 2016.

**REPORT OF INVESTIGATION  
BEP-16-0101-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:** Improper Search of BEP  
Employees  
Bureau of Engraving and Printing  
Western Currency Facility,  
Fort Worth, TX

**Case #:** BEP-16-0101-I

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

**Conducted by:** [REDACTED]  
Investigator

**Investigation Initiated:** December 2, 2015

**Investigation Completed:** 5 OCT 2016

**Origin:** Confidential Source

**Approved by:** Tony Scott  
Special Agent in Charge

### Summary

On December 2, 2015, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), initiated an investigation based on information received from a Confidential Source (CS) alleging that Bureau of Engraving and Printing (BEP) Security personnel at the Ft. Worth, TX Western Currency Facility (WCF) conducted illegal strip searches of BEP employees in the Single Note Inspection (SNI) area.

The investigation determined that the allegation is unsubstantiated. No BEP employees were stripped searched. The BEP Security personnel followed the policies/procedures that are currently in place, however, the current policies were implemented prior to the creation and implementation of the SNI area. Revision of the current policies to include the SNI area, as well as, training of BEP Security Personnel is warranted.

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

On October 15, 2015, TOIG received information from a CS, alleging BEP Security employees at the Ft. Worth, TX, WCF, conducted illegal strip searches of BEP employees in the SNI area. (Exhibit 1)

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

- [REDACTED] BEP, SNI Supervisor
- [REDACTED] BEP, SNI Supervisor
- [REDACTED] BEP, Currency Processing Assistant
- [REDACTED] BEP, Currency Processing Assistant
- [REDACTED] BEP, Currency Processing Assistant
- [REDACTED] BEP, Security Manager
- [REDACTED] BEP, Police Officer

In addition, TOIG reviewed pertinent documents, including:

- BEP Office of Security Investigative Files
- BEP Security Manual Chapter 18 - Missing Product
- Consent to Search Forms
- Photographs of the SNI machines

### **Investigative Activity**

In an interview with TOIG, [REDACTED] SNI Supervisor, stated that there have been two occurrences of missing notes in the SNI area. The first incident was in May, 2015 when eleven \$100 super notes were discovered missing after the daily count. [REDACTED] stated that he notified the Office of Security per protocol and the Security Manager, [REDACTED] along with BEP Police responded.

[REDACTED] stated that [REDACTED] gave all six employees in the area Consent to Search forms that allowed the search of their person, locker and vehicle. BEP Police Officers then escorted each individual one by one into the restroom where they were told to drop their pants, remove their shoes, and empty their pockets. [REDACTED] indicated that he did not feel like anybody was coerced into signing the consent forms and said that nobody was stripped searched. [REDACTED] stated that the SNI unit did not recover the bills until approximately one year later in September, 2015 when it was discovered that the bills had exploded inside the machine and became trapped.

[REDACTED] stated that the second incident occurred in July, 2015 when it was discovered eight \$100 super note bills were missing at the day end count. When [REDACTED] arrived four of his employees were already being searched by the BEP police while [REDACTED] and others were searching the SNI



area again. [REDACTED] stated that all four of the employees were taken into the restroom together and made to disrobe in front of each other. It was not until the next work day that [REDACTED] had learned one of this employees, [REDACTED] alleged to have been treated rudely and unfairly by BEP Security personnel. [REDACTED] stated that none of the employees felt coerced into signing the Consent to Search forms, but they were told they could not leave until a search was completed. [REDACTED] stated that there are no cameras in the restrooms and nobody was videotaped while being searched during either incident. (Exhibit 2)

In an interview with TOIG, [REDACTED] SNI Supervisor, stated that he was present for both of the incidents and was an employee in the section, and was recently promoted to Supervisor.

[REDACTED] stated that during the first incident, [REDACTED] responded and gave all six employees in the area consent to search forms that allowed the search of their person, locker and vehicle. BEP Police Officers then escorted each individual one by one into the restroom. [REDACTED] was told to drop his pants, remove his shoes, and empty his pockets. [REDACTED] happened to not be wearing underwear that day, and had to expose his genitalia, but did not consider this to be a strip search.

[REDACTED] stated that he felt coerced into signing the Consent to Search form and was told by [REDACTED] or another Police Officer, that they did not have to sign the form but it may affect their future employment. [REDACTED] stated that most of the employees were term employees and were worried about keeping their jobs so they signed the forms. [REDACTED] stated they were not allowed to leave until search was completed.

[REDACTED] stated that during the second incident, in July, 2015, he and three of his coworkers were being searched by the BEP police, while others were searching the SNI area again. All four of the employees were taken into the restroom together and made to disrobe in front of each other. [REDACTED] stated that one of the employees, [REDACTED] was not treated fairly by the police. Officer [REDACTED] treated him rudely and told [REDACTED] not to do "shit" until he was told to by police. [REDACTED] felt coerced into signing the Consent to Search forms and thought that there would be repercussions for not signing the form. [REDACTED] stated that none of the searches were video recorded during either incident, and that the employees have not received training regarding their rights during searches. (Exhibit 3)

In an interview with TOIG, [REDACTED] Currency Processing Assistant, stated he was present for both of the incidents. During the May, 2015, incident [REDACTED] was escorting BEP personnel from Washington, DC around in the SNI area. [REDACTED] stated that he just got caught up in the search for the missing bills and that they recounted and checked their math again. Once the bills were determined missing, his supervisor notified the BEP Police, Office of Security and Office of Compliance. [REDACTED] stated that once somebody from the Office of Security responded and explained the procedure, and all six employees in the area were given Consent to Search forms to sign which allowed the search of their person, locker and vehicle. BEP Police officers then escorted each individual, one by one, into the restroom. [REDACTED] was told to drop his pants, remove his shoes,

and empty his pockets. [REDACTED] was told that this was the procedure, and since he was not familiar with the search policy, he complied. [REDACTED] felt the officers were professional and had no issues with being searched. [REDACTED] did not feel coerced, however, he was strongly encouraged to comply with the consent to search request. [REDACTED] stated that nobody was videotaped while being searched and that the employees were release upon completion of everyone being searched.

[REDACTED] stated that the second incident occurred in July, 2015, and that he and two of his co-workers, [REDACTED] [REDACTED] and [REDACTED] were already being searched by the BEP police while others were searching the SNI area again. [REDACTED] stated that all three of the employees were taken into the restroom together and made to disrobe in front of each other, and that the police officers were talking loud and treating them rougher than they had before. [REDACTED] felt that he was being treated like a criminal and was told not to move when he tried to pick up his shoes. [REDACTED] said that none of the searches were video recorded during either incident and that the employees have not received any training on their rights regarding searches. [REDACTED] felt that they were forced into consenting to be searched because they are term employees and would have their positions held over them if they did not comply. [REDACTED] stated that none of the other employees who were in and out of the SNI area all day, and left prior to the end of day shutdown, were subject to the search. [REDACTED] stated that the entire agency needs training on the search issue. (Exhibit 4)

In an interview with TOIG, [REDACTED] [REDACTED] Currency Processing Assistant, stated he was present only for the July, 2015 incident. [REDACTED] said that somebody from the Office of Security responded and gave all of the employees in the area Consent to Search forms that allowed the search of their person, locker and vehicle. Three BEP Police officers then escorted two other employees and himself into the restroom where they were told to drop their pants, remove their shoes, lift their shirts, and empty their pockets. [REDACTED] did not consider this a strip search but was given the impression that a strip search was part of the BEP procedure. [REDACTED] has since learned that it is not. [REDACTED] was told to undress in front of other employees at the BEP and was embarrassed. One of the BEP Police Officers had an attitude and told them that "he was running this and I'll tell you what to do and when". [REDACTED] stated that nobody was videotaped while being searched and that the employees were released upon completion of everyone being searched. [REDACTED] stated none of the employees have received any training on their rights regarding searches. (Exhibit 5)

In an interview with TOIG, [REDACTED] [REDACTED] Currency Processing Assistant, stated he was present for both of the incidents. [REDACTED] stated during the May, 2015 incident, somebody from the Office of Security responded and gave all six employees in the area Consent to Search forms that allowed the search of their person, locker and vehicle. BEP Police Officers then escorted each individual, one by one, into the restroom where he was told to drop his pants, remove his shoes, and empty his pockets. [REDACTED] considered this a strip search. [REDACTED] was given the impression that a strip search was part of the BEP procedure, but has since learned that it is not. [REDACTED] stated that he was marched out in front of other employees at the BEP and felt humiliated and embarrassed. Nobody was videotaped while being searched and that the employees were release upon completion of everyone being searched.

█████ stated that during the July, 2015 incident, he and two of his coworkers were already being searched by the BEP police while others were searching the SNI area again. All three employees were taken into the restroom together and made to disrobe in front of each other. One of the employees, █████ was not treated fairly and Officers had █████ take his pants off and searched his pockets. █████ was told to shut up after asking questions. None of the searches were video recorded during either incident and the employees have not received any training on their rights regarding searches. (Exhibit 6)

In an interview with TOIG, █████ Security Manager, stated there were two occurrences of missing notes in the SNI area, the first incident was in May, 2015 and the second occurrence was in July, 2015. █████ was present for both of the incidents and gave all of the employees in the area Consent to Search forms that allowed the search of their person, locker and vehicle. BEP Police had already searched the area for the bills and, in an effort to get the employees out sooner, provided them with the Consent to Search forms. █████ stated that he did not offer the employees an alternative to their non-compliance and further stated that he has never obtained a search warrant for any employee to be searched since he has been employed with BEP.

█████ stated that during the first incident in May, 2015, the notes were not immediately recovered. The missing currency had been manufactured in Washington, DC and was being used to check the process of SNI at the WCF. █████ indicated that not all of the employees were searched that had entered the area during the day because they were not present in the SNI area at the time of the search, but had they been present, everyone would have been searched.

█████ stated that he had the BEP Police Officers escort each individual one by one into the restroom where they were thoroughly searched. █████ did not consider the removal of outer clothing a strip search. There are no cameras in the restrooms and nobody was videotaped while being searched. █████ stated that he did not coerce any employee into signing the Consent to Search forms. The employees were told by █████ or another Police Officer, that they did not have to sign the form but he strongly recommended they do so to expedite the process. █████ stated that most of the employees were term employees and were worried about keeping their jobs so they signed the forms. Employees who were searched were not allowed to leave until the search was completed.

█████ stated that the BEP Police Officers have not received any specific training on conducting these type of administrative searches within the facility. █████ did not observe any misconduct by any officers, however, he was not present in the restroom during the searches. █████ has not received any complaints about anyone being mistreated by any officers.

█████ stated that during second incident in July, 2015, he responded from home while the BEP police and others were searching the SNI area again. █████ gave employees the briefing on the signing of the Consent to Search forms and the missing notes were located prior to everyone in the SNI area being searched. None of the searches were video recorded during either incident



and no employees were coerced or threatened into signing the forms, nor were any employees stripped searched.

█████ stated that the BEP Security Manual, which was reviewed and approved prior to 2012, was approved by Security Management, Directors, Associates and Legal Counsel before it was published, however, the SNI concept is relatively new and was developed after the Security Manual was published. The SNI procedures are not specifically addressed in the current manual. (Exhibit 7)

In an interview with TOIG, █████ Police Officer, stated that on July 9, 2015, he was working a three PM to eleven PM shift and was dispatched to the SNI area for a report of missing currency. █████ was accompanied by Corporals' █████ and █████, Sergeant █████, █████ and █████, Product Security Branch Manager.

█████ stated that █████ was in charge and told █████ and █████ to do a search of the employees within their "comfort zone". █████ asked for volunteers from the Police to have the employees sign the Consent to Search forms. █████ volunteered and had all of the employees, approximately six or eight, sign the forms.

█████ stated that █████ briefed the employees on what the process was, and he and █████ both signed as witnesses on the forms. Three employees went with him, █████ and █████ to the restroom. █████ searched two individuals and Badea searched one individual, while █████ observed the other officers. █████ stated he had the employees lift their shirt and remove their shoes and pants. None of the employees were physically touched, however, their pants, belt and shoes were searched thoroughly. One of the employees tried to put his shoes on before they had been searched and he ordered the employee not to move until he was told. █████ felt this was an officer safety issue since the shoes had not been searched yet and he was concerned for his safety and the safety of his fellow officers. █████ has never received any specific training or instructions on how to conduct this type of employee search. None of the searches were photographed or videotaped and no contraband was recovered. █████ did not complete a written statement or report after the incident.

█████ stated that he did not coerce anybody to sign the Consent to Search form and nobody was told that there would be any repercussions if they did not sign the form. █████ recalled that the employees were told they could not leave the area unless they were escorted by BEP Police. (Exhibit 8)

#### Referrals

N/A

**Judicial Action**

N/A

**Findings**

The investigation determined that the allegation of improper strip searches of employees is unsubstantiated. No BEP employees were stripped searched and BEP employees followed the procedures that are currently in place, however, the policies currently in place were implemented prior to the creation of the SNI area and need revision.

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**

██████████, Security Manager, BEP



Signatures

Case Agent:

\_\_\_\_\_

9/7/16  
Date

Supervisor:

\_\_\_\_\_ JSM  
Je Marshall

15 SEP 2016  
Date

■

**Exhibits**

1. Complaint letter from Confidential Source, BEP, dated October 14, 2015.
2. Memorandum of Activity, Interview of [REDACTED] dated February 11, 2016.
3. Memorandum of Activity, Interview of [REDACTED] dated February 11, 2016.
4. Memorandum of Activity, Interview of [REDACTED] dated February 16, 2016.
5. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated February 16, 2016.
6. Memorandum of Activity, Interview of [REDACTED] dated February 16, 2016.
7. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated February 19, 2016.
8. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated February 19, 2016.

REPORT OF INVESTIGATION  
BFS-15-1290-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.  
(Private Citizen)

Case #: BFS-15-1290-I

[REDACTED]  
(Private Citizen)

Case Type: Criminal X  
Administrative      
Civil    

[REDACTED]  
(Private Citizen)

Conducted by: [REDACTED]  
Special Agent

Investigation Initiated: June 5, 2015

Approved by: Anthony J. Scott  
Special Agent in Charge

Investigation Completed: JUL 17 2017

Origin: [REDACTED], Bureau of the  
Fiscal Service

### Summary

An investigation was initiated by the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), after the Bureau of the Fiscal Service (BFS) was contacted by the District Attorney's Office for Sanpete County, Utah (SCDAO) and the Mount Pleasant (UT) Police Department (MPPD). [REDACTED], Assistant District Attorney, SCDAO informed BFS that his office would file charges against [REDACTED] and Michael [REDACTED] for redeeming counterfeit U.S. savings bonds. BFS forwarded TOIG an alert from Zions Bank regarding 54 counterfeit U.S. savings bonds with consecutive serial numbers, totaling \$12,454, that were redeemed throughout Utah by [REDACTED] and [REDACTED] and [REDACTED] redeemed the counterfeit bonds under the names of [REDACTED] and [REDACTED] respectively.

The investigation determined that the allegation was substantiated. [REDACTED] and [REDACTED] were prosecuted for forgery and identity theft by the SCDAO based largely on information obtained prior to TOIG initiating an investigation. The SCDAO was unable to prosecute Moffit for redeeming four counterfeit U.S. savings bonds, totaling approximately \$900, because the bonds were redeemed in locations outside the jurisdiction of SCDAO. Prosecution of [REDACTED] was declined by the United States Attorney's Office for the District of Utah (USAODUT). During the course of the investigation, [REDACTED] was arrested by the Los Angeles Police Department on unrelated forgery charges. TOIG also identified an ongoing investigation being conducted by the United States Secret Service (USSS) into [REDACTED] and numerous other individuals for redeeming counterfeit bonds.

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.



Report of Investigation

Case Name: [REDACTED] et al.

Case # BFS-15-1290-I

Page 2 of 5

**Basis and Scope of the Investigation**

This case was initiated based upon information forwarded to TOIG by BFS regarding counterfeit U.S. savings bonds redeemed by [REDACTED] and [REDACTED]. BFS forwarded TOIG the contact information for the SCDAO and the MPPD after [REDACTED], Assistant District Attorney, SCDAO informed BFS that his office would file charges against [REDACTED] and [REDACTED] for redeeming counterfeit U.S. savings bonds. TOIG also obtained a Zions Bank Alert from BFS regarding 54 counterfeit U.S. savings bonds with consecutive serial numbers, totaling \$12,454, that were redeemed by [REDACTED] and [REDACTED] throughout several counties in Utah. (Exhibit 1)

TOIG reviewed pertinent documents, including:

- Lead Initiation
- Zions Bank Alert
- List of Zions Bank branch incidents
- Photos of [REDACTED] ([REDACTED] redeeming counterfeit bonds at various Zions Bank locations
- Photos of [REDACTED] ([REDACTED] redeeming counterfeit bonds at various Zions Bank locations

**Investigative Activity**

TOIG contacted MPPD Officer [REDACTED]. Officer [REDACTED] informed TOIG that [REDACTED] and [REDACTED] were aliases for [REDACTED] and [REDACTED] respectively. SCDAO charged [REDACTED] on April 26, 2015 with forgery and identity theft. (Exhibit 2 and 3)

TOIG obtained and reviewed the Lead Initiation provided by BFS. The Lead Initiation contained a BFS-prepared spreadsheet of alleged counterfeit U.S. savings bonds, Zions Bank correspondence, a BFS memorandum, and U.S. savings bonds payee information. (Exhibit 1)

TOIG obtained and reviewed a Zions Bank Alert after contacting Zions Bank. The Zions Bank Alert informed the reader to confiscate and not redeem U.S. saving bonds made payable to [REDACTED], [REDACTED] or [REDACTED]. The Zions Bank Alert also provided photos, Social Security numbers, and driver's license numbers obtained for [REDACTED] and [REDACTED] (Exhibit 4)

TOIG obtained and reviewed an email received from [REDACTED], Regional Security Manager for Zions Bank, which contained a list of incidents in which counterfeit bonds were redeemed at Zions Bank branch locations. The four counterfeit U.S. savings bonds, totaling approximately \$900 and redeemed by [REDACTED] were redeemed in locations outside the jurisdiction of SCDAO. (Exhibit 5)



Report of Investigation

Case Name: [REDACTED] et al.

Case # BFS-15-1290-I

Page 3 of 5

TOIG provided the following pertinent documents to further substantiate SCDAO's cases against [REDACTED] and [REDACTED]

- Zions Bank Alert (Exhibit 4)
- [REDACTED] Driver's License (Exhibit 6)
- Photos of [REDACTED] ([REDACTED] redeeming counterfeit bonds at various Zions Bank locations (Exhibit 7)
- Photos of [REDACTED] ([REDACTED] redeeming counterfeit bonds at various Zions Bank locations (Exhibit 8)

The four counterfeit U.S. savings bonds redeemed by [REDACTED] were redeemed at locations outside the jurisdiction of SCDAO. On September 3, 2015, [REDACTED] was arrested by the Los Angeles Police Department on unrelated forgery charges. TOIG also identified an ongoing investigation being conducted by the USSS into [REDACTED] and numerous other individuals for redeeming counterfeit bonds. The USSS refused TOIG's offer to assist with the USSS investigation. (Exhibits 9)

### Referrals

On September 12, 2016, TOIG presented the case for prosecution to USAODUT. [REDACTED], Assistant United States Attorney, USAODUT declined the case due to several factors, including the loss amount and SCDAO's prosecution of [REDACTED] and [REDACTED] (Exhibit 10)

### Judicial Action

N/A

### Findings

The investigation determined that the allegation was substantiated. [REDACTED] and [REDACTED] were prosecuted for forgery and identity theft by the SCDAO based largely on information obtained prior to TOIG initiating an investigation. The SCDAO was unable to prosecute [REDACTED] for redeeming four counterfeit U.S. savings bonds, totaling approximately \$900, because the bonds were redeemed in locations outside the jurisdiction of SCDAO. Prosecution of [REDACTED] was declined by the USAODUT. During the course of the investigation, TOIG identified an ongoing investigation being conducted by the USSS, but the USSS refused TOIG's offer of assistance.

### Distribution

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

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

Report of Investigation

Case Name: [REDACTED] et al.

Case # BFS-15-1290-I

Page 4 of 5

Signatures

Case Agent:

[REDACTED] \_\_\_\_\_

07/17/2017  
Date

[REDACTED] sdx: [REDACTED]  
\_\_\_\_\_  
Anthony J. Scott

7/17/17  
Date

Report of Investigation

Case Name: [REDACTED] et al.

Case # BFS-15-1290-I

Page 5 of 5

**Exhibits**

1. Lead Initiation, dated March 26, 2015.
2. Memorandum of Activity, Records Obtained – [REDACTED] Criminal Record, dated May 8, 2015.
3. Memorandum of Activity, Records Obtained – [REDACTED] Criminal Record, dated May 8, 2015.
4. Memorandum of Activity, Records Transferred – Zions Bank Alert, dated April 23, 2015.
5. Memorandum of Activity, Records Obtained – Shouten Email 1, dated April 23, 2015.
6. Memorandum of Activity, Records Transferred – [REDACTED] Driver's license, dated April 23, 2015.
7. Memorandum of Activity, Records Transferred – [REDACTED] Photos, dated April 23, 2015.
8. Memorandum of Activity, Records Transferred – [REDACTED] Photos, dated April 23, 2015.
9. Memorandum of Activity, Records Obtained – [REDACTED] Criminal Record, dated October 9, 2015.
10. Memorandum of Activity, Case Referral for Prosecution and Declination USAODUT, dated September 16, 2015.



OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

MEMORANDUM FOR OFFICE OF INVESTIGATIONS  
DEPARTMENT OF THE TREASURY

FROM: Anthony J. Scott  
Special Agent in Charge

SUBJECT: [REDACTED] AKA [REDACTED]

OIG File Number: BFS-16-2816-I

On September 9, 2016, the Department of Treasury, Office of Inspector General, Office of Investigations (TOIG) initiated an investigation, regarding allegations that [REDACTED] aka [REDACTED] was fraudulently receiving Social Security Benefits under an assumed identity. In addition, [REDACTED] utilized a fraudulent identity to obtain a U.S. passport. [REDACTED] thereafter, emigrated from Yemen to the U.S. under the assumed name of [REDACTED] obtained immigration visas for his spouse and children under the assumed name of [REDACTED], and became a naturalized citizen under the assumed name of [REDACTED]. In 2002, [REDACTED] filed for disability benefits and to date received \$263,828 in Social Security Administration (SSA) benefits under the assumed name [REDACTED].

TOIG obtained and reviewed various documents regarding [REDACTED]'s SSA benefit payments, immigration documentation, and criminal history. Additionally, the U.S. State Department provided a sworn statement taken from [REDACTED] in 2013 at a U.S. Embassy in Yemen wherein he admitted to using a false identity when he immigrated to the U.S. Based on this statement [REDACTED]'s U.S. passport was confiscated by Consular affairs in Yemen. However, [REDACTED] obtained a one-time use U.S. passport from a different embassy and returned to the U.S.

On October 13, 2016, the case was referred for prosecution and initially accepted by USAO, Eastern District of Michigan. On March 15, 2017, the USAO, Eastern District of Michigan advised that it was declining to prosecute due to the statute of limitations on fraudulent procurement of naturalization. In addition, [REDACTED]'s status as a citizen during this time afforded him the right to SSA benefits.

Because of the USAO prosecutorial declination, we are closing this matter.

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

Office of Inspector General – Investigations  
Department of the Treasury



**REPORT OF INVESTIGATION  
BFS-17-0819-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]

Contractor

[REDACTED] Enterprise

Case #: BFS-17-0819-I

Case Type: Administrative

Conducted by: [REDACTED]  
Special Agent

Investigation Initiated: December 23, 2016

Investigation Completed: JUN 14 2017

Approved by: Anthony J. Scott  
Special Agent in Charge

Origin: Bureau of the Fiscal Service

### Summary

An investigation was initiated by the Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), after the Bureau of the Fiscal Service (BFS) reported an information security incident involving [REDACTED] a [REDACTED] Enterprise (HPE) contractor, working for the Federal Reserve Bank (FRB) of Richmond on the Treasury Web Application Infrastructure (TWA) under the FRB's fiscal agent relationship with Treasury. The security incident involved the installation of the remote access program "TeamViewer" on [REDACTED] FRB-issued laptop and the transfer of a spreadsheet containing technical configuration data pertaining to FRB servers and databases from [REDACTED] FRB-issued laptop to his HPE-issued laptop. (Exhibit 1)

TOIG interviewed [REDACTED] and substantiated the allegation. [REDACTED] was removed from the FRB contract and resigned from HPE on December 21, 2016.

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

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

An investigation was initiated on December 23, 2016, based on a report from BFS Security that [REDACTED] an HPE contractor working on an FRB-Richmond contract to support TWAI had violated FRB IT security policies by installing the remote access program "TeamViewer" on his FRB-issued laptop and the transfer of a spreadsheet containing technical configuration data pertaining to FRB servers and databases to his HPE-issued laptop. (Exhibit 1)

During the course of the investigation, TOIG reviewed FRB incident reports, interviewed [REDACTED] and obtained a signed, sworn statement.

### **Investigative Activity**

The findings of the FRB National Incident Response Team (NIRT) and HPE with regard to [REDACTED] were provided to TOIG by BFS and summarized below.

1. [REDACTED] activity and access from November 1, 2016 through December 21, 2016, was consistent with his job function.
2. The Digital Loss Prevention (DLP) logs did not contain any notable events.
3. A review of [REDACTED] FRB email did not identify any suspicious emails.
4. The National Incident Response Team (NIRT) review of the [REDACTED] FRB-issued laptop did not identify any other data exfiltration activity aside from the current matter.
5. The database information that was transferred by [REDACTED] from his FRB-issued laptop to his HPE laptop posed a reputational risk if its exfiltration was public knowledge, but did comprise a severe technical exploit.

In an interview with TOIG, [REDACTED] explained that he was on-call to support the FRB over the Christmas holidays and was extremely busy so he installed "TeamViewer" (a remote control software) on his FRB laptop so that he could access it from anywhere with any of his personal devices (iPhone, iPad, laptop) in order to make sure that he did not miss any critical alerts. [REDACTED] stated that this was not common practice, but his idea alone. [REDACTED] acknowledged receiving IT security training, but stated that he did not think installing TeamViewer was prohibited.

[REDACTED] could not recall what information was contained in the spreadsheet that he copied from his FRB laptop.

[REDACTED] explanation for why he left his HPE laptop in his car on December 14, 2016 when it was stolen was that he was on his way out from his home, but his wife told him to come have dinner before leaving and that he did not think the property was at risk. [REDACTED] stated he informed his HPE manager immediately after noticing the theft and filed a police report. (Exhibit 2)

Once his security violation on the FRB laptop was identified, the FRB removed [REDACTED] from the contract and he returned the FRB laptop. Although HPE management stated that they would find [REDACTED] another contract to work on, [REDACTED] felt he would be fired soon and started looking for another job. When HPE security requested to interview him, [REDACTED] retained [REDACTED], a partner in the law firm of [REDACTED]. [REDACTED] advised [REDACTED] to resign from HPE since he [REDACTED] had secured a new job.

[REDACTED] stated that he never exfiltrated any Treasury or FRB information, nor has he been approached by anyone to perform such an action or provide Treasury or FRB information to anyone. (Exhibit 3)

[REDACTED] provided TOIG with a signed, sworn statement which is attached. (Exhibit 4)

### Referrals

David Ambrose, Chief Security and Privacy Officer, BFS

### Judicial Action

N/A

### Findings

TOIG substantiated the allegation. [REDACTED] was removed from the FRB contract and resigned from HPE on December 21, 2016.

### Distribution

N/A

Report of Investigation

Case Name: [REDACTED]

Case # BFS-17-0819-I

Page 4 of 5

Signatures

Case Agent:

[REDACTED]

Special Agent

5/19/17

Date

Supervisor:

[REDACTED]

Anthony J. Scott  
Special Agent in Charge

6/9/17

Date

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # BFS-17-0819-I

Page 5 of 5

**Exhibits**

1. Initial Complaint Document, dated December 22, 2016.
2. Tampa (FL) Police Department Report, dated December 14, 2016.
3. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated April 3, 2017.
4. Signed, Sworn Statement of [REDACTED] [REDACTED] dated April 17, 2017.

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.





OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

SEP 07 2017

**MEMORANDUM FOR THE OFFICE OF INVESTIGATIONS**

**FROM:** Anthony J. Scott [REDACTED]  
Special Agent in Charge

**SUBJECT:** Guarino Edward Broccoli, Jr.

OIG Case Number: BFS-17-0836-I

On June 16, 2017, an investigation was initiated by the Department of Treasury, Office of Inspector General, Office of Investigations (TOIG) after receiving a request for assistance from the Social Security Administration, Office of Inspector General (SSA-OIG) and Columbia County Sheriff's Office (CCSO), FL, regarding Guarino E. Broccoli, Jr. and a theft of public funds, bank fraud, and human trafficking investigation. Broccoli was a serial bigamist, who posed as a pastor in online dating forums to lure vulnerable women to his compound for sex trafficking or involuntary servitude. Broccoli also converted or obtained various social security benefits for children and adult victims and schemed to defraud TD Bank.

This case was investigated by the SSA-OIG, CCSO, TOIG, Florida Department of Law Enforcement (FDLE), the Department of Health and Human Services, Office of Inspector General (HHS), the U.S. Secret Service (USSS), and the Federal Bureau of Investigation (FBI).

On May 10, 2017, Broccoli was indicted for forced labor and aggravated sexual abuse, in violation of 18 USC 1589, by a Federal Grand Jury, Middle District of Florida, Jacksonville Division (MDFL).

On May 17, 2017, Broccoli was arrested by FBI, SSA, and CCSO and was detained until trial. The U.S. Marshals Service (USMS) housed Broccoli at the Nassau County Jail, Yulee, Florida.

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

Office of Inspector General – Investigations  
Department of the Treasury

On June 14, 2017, Broccoli was charged in a superseding indictment with and additional three counts of Theft of Social Security Benefits, in violation of Title 18 USC 641, in the MDFL.

On July 10, 2017, Broccoli was found dead in his cell at the Nassau County Jail by a Nassau County correctional officer. A Notice of Suggestion of Death was also filed by Assistant United States Attorney (AUSA) [REDACTED] MDFL. An autopsy was required since the defendant died in custody, and a death certificate cannot be issued until the manner and cause of death is determined.

On August 24, 2017, an Amended Request for Leave to Dismiss Superseding Indictment, without prejudice, was filed by AUSA [REDACTED] on the ground that the United States received documentation showing the defendant died.

On August 28, 2017, an Order directing the Clerk of Court to close this case, without prejudice, was signed by United States District Judge Brian J. Davis, MDFL.

As a result, TOIG is closing this case administratively.

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

Office of Inspector General – Investigations  
Department of the Treasury



OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

FEB 15 2017

**MEMORANDUM FOR THE OFFICE OF INVESTIGATIONS**

**FROM:** Anthony Scott [REDACTED]  
Special Agent in Charge

**SUBJECT:** [REDACTED], et al.

OIG Case Number: CFIF-12-2286-I

An investigation was initiated by the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), after the United States Secret Service, Atlanta Field Office, requested assistance investigating a fraudulent tax return scheme. [REDACTED] and other subjects researched defunct transportation businesses in Florida, re-incorporated the businesses in Georgia, and subsequently received large, fraudulent tax refunds for fuel tax credits. The investigation was conducted jointly by the USSS, the Internal Revenue Service – Criminal Investigations (IRS-CI), and the United States Attorney's Office, Atlanta, Georgia (USAO).

TOIG provided only minimal assistance to the USSS and USAO by supplying a limited number of records from the Treasury Check Information System (TCIS). TOIG offered assistance numerous times to further the investigation over the course of several years; however, TOIG was not asked to participate in any investigative activities conducted by the USSS, IRS-CI, or USAO. The USAO did not consult with TOIG prior to charging any of the subjects of the investigation, and the USAO never informed TOIG of any judicial actions. In addition, TOIG did not contribute any information to aid in the prosecution of the subjects.

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

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

Office of Inspector General – Investigations  
Department of the Treasury

REPORT OF INVESTIGATION  
CYBER-17-0856-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] [REDACTED]

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

**Investigation Initiated:** July 31, 2017

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

**Investigation Completed:** SEP 07 2017

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

**Case #:** CYBER-17-0856-I

**Origin:** Federal Labor Relations Authority Inspector General

### Summary

On July 31, 2017, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), initiated an investigation based on information received from the Inspector General (IG), Federal Labor Relations Authority (FLRA) that [REDACTED] Office Assistant to the IG, had, without authorization, deleted approximately 2 Gigabytes (GB) of data from the f:\ drive which contained both historical and current files dating from 2000-2017. (Exhibit 1)

The investigation determined that the allegation was substantiated. [REDACTED] admitted to deleting the f:\ drive data on the evening of July 27, 2017, while at her desk in the Federal Labor Relations Authority, Office of the Inspector General's office located in Washington, DC.

[REDACTED] admitted that she knew deleting the files was wrong; however, it was an emotional response to being served a Reduction in Force notification.

On August 6, 2017, [REDACTED], Assistant United States Attorney (AUSA), United States Attorney's Office (USAO) for the District of Columbia, emailed TOIG declining prosecution citing since most of the files were recovered, there is no prior criminal history, and that the overall equities of the situation weigh against bringing criminal charges. (Exhibit 2)

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.



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

On July 31, 2017, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), initiated an investigation based on information received from the Inspector General (IG), Federal Labor Relations Authority (FLRA) that [REDACTED] Office Assistant to the IG, had, without authorization, deleted approximately 2 Gigabytes (GB) of data from the f:\ drive which contained both historical and current files dating from 2000-2017. (Exhibit 1)

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

- Dana Rooney, Inspector General (IG), FLRA
- [REDACTED] Information Technology (IT) Administrator, FLRA
- [REDACTED] Chief Information Officer, IT, FLRA
- [REDACTED] Assistant to the IG, subject

In addition, TOIG reviewed pertinent documents, including:

- [REDACTED] work laptop
- [REDACTED] cybersecurity training records
- Data Center entry logs
- Reduction in Force – Notice of Separation
- Chronology of Events from IG Rooney

### Investigative Activity

In an interview with TOIG, Rooney explained that at approximately 4:00PM EST, July 27, 2017, she and [REDACTED], Human Resource Director, FLRA, met with [REDACTED] Rooney's office assistant, in Rooney's office, to serve [REDACTED] with a Reduction in Force (RIF) - Notice of Separation. The RIF notification allowed [REDACTED] to remain with FLRA until September 29, 2017. Rooney stated that [REDACTED] became upset and angry, spouting phrases such as "I will get you for this" and "you are going to pay and regret this". Rooney also stated that on July 28, 2017, at approximately 4:00AM, she received a voice mail from [REDACTED] apologizing for making those comments.

Rooney stated that on July 27, 2017, after serving [REDACTED] her RIF notification she left the office at approximately 4:45PM, noting that [REDACTED] remained there alone.

Rooney stated that shortly after arriving to work on July 28, 2017, she noticed that a majority of the files on the IG share drive, which were mapped to her local machine as the f:\, were deleted. Rooney stated that she aids in the vetting process of high profile political candidates and that her information stored in these files is sensitive information that is not to be made public. Rooney stated that the files deleted were historical and current files covering FLRA's work from approximately 2000 to 2017.

Rooney stated that she notified [REDACTED] Chief Information Officer (CIO), FLRA, regarding the missing files. Rooney stated that [REDACTED] informed her that [REDACTED] was the last person who accessed the IG share drive. Rooney stated that she, [REDACTED] and possibly the IT Administrators had access to the IG share drive.

Rooney stated that [REDACTED] disabled [REDACTED] sign in credentials and [REDACTED] building credentials.

Rooney stated that she had the physical locks changed on her main door and her file room door on July 28, 2017. (Exhibit 3)

In a telephonic interview with TOIG, [REDACTED] stated that he received a voice message from IG Rooney on July 28, 2017 at approximately 0727 hours stating that files on her IG share drive were missing. [REDACTED] asked [REDACTED] Information Technology Administrator, to look into this and [REDACTED] pulled up the SecEvents logs from the file server. [REDACTED] discovered that [REDACTED] accessed the file server at approximately 1831 hours on July 27, 2017. Both [REDACTED] and [REDACTED] examined the SecEvent logs and verified the facts, but a backup of the logs was not made. [REDACTED] indicated that the logs on the file server are overwritten approximately every 3 days so they are no longer available.

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

[REDACTED] explained that only IG Rooney and [REDACTED] have remote access to the IG share drive. There are several network administrators that would also have access to the IG share drive, but said that they need to be logged into the file server from the console to have access. The file server is located in a room with access controlled by a Kastle key card and all access into this room is logged. [REDACTED] described the room in which the file server is stored as infrequently accessed.  
(Exhibit 4)

In an interview with TOIG, [REDACTED] explained that [REDACTED] has a username of "[REDACTED]e". [REDACTED] stated that [REDACTED] and Rooney have full access to the IG share drive on their network file server (svhq1), which is mapped to their local machines as the f:\ drive. [REDACTED] stated that there are 6 Administrative IT personnel that can access the IG folder, but that they can only access this folder when logged in locally to the file server. [REDACTED] stated that the file server is located in a secure room accessible only by use of a Kastle key card, and that all entries to the room in which the file server resides are logged.

[REDACTED] provided information to TOIG indicating that there were no entries into the secure room containing the file server on July 27 or 28, 2017.

[REDACTED] stated that he reviewed Windows SecEvent logs on the file server, which showed an event at approximately 6:31PM on July 27, 2017 indicating that user "[REDACTED]" accessed the file server at that time.

[REDACTED] explained that FLRA is moving to a new document management system, iManage, but that no data was in the process of being migrated during the time in which the files were found to be missing.

[REDACTED] stated that the last backup of the file server was conducted on July 17, 2017 and that it is unlikely that any files created after that point that were deleted will be recoverable. [REDACTED] stated that the most recent backup of the IG share contained 2.73GB of data.  
(Exhibit 5)

On August 4, 2017, TOIG conducted an analysis of the Microsoft-Windows-Offline-Files%4Operational.evtx event log utilizing Event Log Explorer 4.5.4.2079. This analysis revealed that user "[REDACTED]" logged into the Dell E7240 laptop on July 27, 2017 at approximately 15:22:39 Coordinated Universal Time (UTC) (11:22:39 Eastern Standard Time (EST)) and logged off at approximately 22:54:31 UTC (18:54:31 EST).

TOIG conducted an analysis of the internet browsing history of user "[REDACTED]" using Internet Evidence Finder 6.7.6.1240 to determine if any FLRA data was removed from the computer via webmail or an offline file storage application. No information indicating that "[REDACTED]" accessed

webmail or offline storage websites on July 27, 2017 was noted during a preliminary review. (Exhibit 7)

In an interview with TOIG, [REDACTED] admitted to deleting files located on the f:\ drive of the FLRA IG server on July 27, 2017. TOIG questioned [REDACTED] about the events of July 27, 2017. [REDACTED] stated that the IG assigned [REDACTED] to organize documents in the f:\drive and then at approximately 4:00PM, [REDACTED] was called into the IG's office. [REDACTED] stated that the IG along with a Human Resources (HR) person ([REDACTED] did not recall a name) notified [REDACTED] that she was going to be subject to a RIF and had 60 days left at the IG's office to work. [REDACTED] stated that the HR person left and then Rooney left the office for the day. [REDACTED] stated that she was the only person in the IG's office until just before 7:00PM, when she had to catch her bus home. [REDACTED] stated that after Rooney left the office, she was sitting at her desk getting files together and decided that she was going to delete the f:\ drive files. [REDACTED] stated that she felt like the files were hers to do with what she wanted and did not want whoever got the job behind her to have a nice organized file folder of all the government documents. [REDACTED] stated that she only deleted the f:\ drive folder and that it took approximately two minutes for it to delete entirely.

TOIG questioned [REDACTED] about her personnel file folder that was missing on July 28, 2017, from her desk at the IG's office. [REDACTED] admitted that she took the folder; however, the only thing in it was her ([REDACTED] most recent performance appraisal.

[REDACTED] was cooperative and admitted that she deleted the IG's folder while at her desk alone in the IG's office the evening of July 27, 2017. [REDACTED] stated that she did not email, download, or copy any of the files: she only deleted the f:\ folder.

[REDACTED] stated that she knew it was wrong to delete the files, but that she was upset at getting the RIF notification after working for 35 years at the FLRA. (Exhibit 6)

### **Referrals**

On August 6, 2017, [REDACTED] Assistant United States Attorney (AUSA), United States Attorney's Office (USAO) for the District of Columbia, emailed TOIG declining prosecution for 18 USC 1030, Damage to a Protected Computer, citing that since most of the files were recovered, there is no prior criminal history, and the overall equities of the situation weigh against bringing criminal charges.

### **Judicial Action**

N/A

### **Findings**

The investigation determined that the allegations were substantiated. [REDACTED] admitted to deleting the f:\ drive data on the evening of July 27, 2017, while at her desk in the Federal Labor Relations Authority, Office of the Inspector General's office located in Washington, DC. [REDACTED] admitted that she knew deleting the files was wrong; however, it was an emotional response to being served a RIF notification.

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

5 CFR 2635.101 – Basic Obligation of Public Service

### **Distribution**

Dana Rooney, Inspector General, Federal Labor Relations Authority  
Richard Delmar, Counsel, United States Department of the Treasury, Office of Counsel



Report of Investigation

Case Name: [REDACTED]

Case # CYBER-17- 0856-I

Page 7 of 8

Signatures

Case Agent:

[REDACTED]

8/23/17  
Date

Supervisor:

[REDACTED]

9/7/17  
Date

Anthony J. Scott

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

**Exhibits**

1. Lead Initiation Complaint, dated July 31, 2017.
2. Memorandum of Activity, AUSA Declination, dated August 7, 2017.
3. Memorandum of Activity, Interview of Dana Rooney, dated August 2, 2017.
4. Memorandum of Activity, Interview of [REDACTED] dated August 4, 2017.
5. Memorandum of Activity, Interview of [REDACTED] dated August 2, 2017.
6. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated August 7, 2017.
7. Memorandum of Activity, Cyber Forensic Review, dated August 4, 2017.
8. Transcripts of [REDACTED] Interview, dated August 7, 2017.

**REPORT OF INVESTIGATION  
DO-12-2147-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]  
(Private Company)

**Case #:** DO-12- 2147-I

**Investigation Initiated:** July 9, 2012

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

**Investigation Completed:** SEP 29 2017

**Conducted by:** [REDACTED],  
Assistant Special Agent In  
Charge

**Origin:** [REDACTED],  
Senior Domestic Policy Advisor,  
Office of Environment and Energy

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

### Summary

On July 9, 2012, the Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), received a complaint from the Office of Environment and Energy alleging [REDACTED] a solar power electric provider, submitted claims to the American Reinvestment and Recovery Act (ARRA) 1603 Grant Program based on related-party pricing significantly above the pricing of comparable arm's-length transactions.

The investigation determined that the allegation was unsubstantiated. After obtaining and reviewing information received through several TOIG subpoenas, and after consideration of the facts of this investigation, it was determined by the Department of Justice (DOJ)-Civil Section to decline prosecution.

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

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

This investigation was initiated on July 9, 2012, after TOIG received a complaint from [REDACTED], Senior Domestic Policy Advisor, Office of Environment and Energy alleging [REDACTED] a solar power electric provider, submitted claims to the ARRA 1603 Grant Program based on related-party pricing significantly above the pricing of comparable arm's-length transactions. [REDACTED] was suspected of overstating the fair market value of their claims. (Exhibit 1)

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

- [REDACTED], Senior Domestic Policy Advisor, Office of Environment and Energy

In addition, TOIG reviewed pertinent documents, including:

- [REDACTED] Inc. internal documents
- [REDACTED] internal documents
- [REDACTED] Capital Management internal documents
- [REDACTED] and Company, LLC internal documents
- [REDACTED] Capital internal documents

### **Investigative Activity**

In coordination with DOJ Civil Section attorneys, TOIG obtained and served eight OIG subpoenas. (Exhibit 2)

A comprehensive TOIG and DOJ review of the documents received via subpoena did not provide any further investigative leads.

### **Referrals**

On April 30, 2012, TOIG presented this case to for civil prosecution to Assistant United States Attorney (AUSA) [REDACTED] and AUSA [REDACTED] U.S. DOJ Civil Section, regarding potential fraud associated with the American Recovery and Reinvestment Act (ARRA), 1603 Grant Program. Prosecution was accepted under Title 31 U.S. Code §3729 (False Claims). (Exhibit 3)

On April 28, 2017, TOIG was notified by AUSA [REDACTED] that after further consideration, prosecution of [REDACTED] has been declined. (Exhibit 4)

### **Judicial Action**

N/A



Report of Investigation

Case Name: [REDACTED]

Case # DO-12-2147-I

Page 3 of 4

Findings

The investigation determined that the allegation was unsubstantiated. After review and consideration of the facts of this investigation, in addition to similar investigations of this sort, it was determined by the DOJ-Civil Section to decline prosecution.

Distribution

Mike Lewis, Senior Advisor, Departmental Offices, Department of the Treasury

Signatures

Case Agent:

[REDACTED]

8/17/17  
Date

Supervisor:

[REDACTED]

9/29/17  
Date

Anthony J. Scott

Report of Investigation

Case Name: [REDACTED]

Case # DO-12-2147-I

Page 4 of 4

**Exhibits**

1. Lead Initiation, dated July 9, 2012.
2. Memorandum of Activity, Subpoena OIG-Obtained, dated July 25, 2012.
3. Memorandum of Activity, Case Presented for Prosecution-Civil (Accepted), dated May 1, 2012.
4. Memorandum of Activity, Case Presented for Prosecution-Civil (Declined), dated May 2, 2017.



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



## Report of Investigation

**Case Title:** John Lattisaw  
'aka' Calelah Lattisaw  
(Private Citizen)

**Case #:** DO-13-1651-I

**Case Type:** Criminal   X    
Administrative         
Civil       

**Investigation Initiated:** March 7, 2014

**Investigation Completed:**

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

**Origin:** [REDACTED]  
Office of General Counsel  
General Law, Ethics & Regulation

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

### Summary

The Treasury Office of Inspector General, Office of Investigations (TOIG) conducted a previous investigation regarding subject John Harrison Lattisaw; 'aka' Calelah John Lattisaw, from May 2010 through November 2012 (TOIG case number DO-10-2013-I). At that time, criminal and civil prosecution were declined due to concerns regarding Lattisaw's alleged mental health issues.

In June 2013, TOIG received a new complaint from Treasury's Office of General Counsel (OGC). The OGC requested that TOIG reopen the investigation regarding Lattisaw based on an alleged pattern of fraud against elderly women. Specifically, the OGC requested that TOIG investigate patterns of fraud associated with Lattisaw and elderly victims [REDACTED] and [REDACTED]. The OGC cited a Maryland civil judgement where the [REDACTED] estate won \$691,492.54 via a civil judgement against John Lattisaw. The OGC highlighted this matter in their complaint and stated, "there is no indication that the judgements against Lattisaw have been set aside due to lack of mental capacity, the main reason for DOJ's criminal and civil divisions declining to pursue the matter."

The investigation determined that the allegations were substantiated. Lattisaw used the Social Security number (SSN) belonging to an individual named [REDACTED] to gain access to the bank accounts owned by [REDACTED] [REDACTED] and [REDACTED] [REDACTED]. As a result, Lattisaw obtained \$593,334.22 in retirement annuity payments and \$44,926 in Social Security, Survivor's Insurance Benefit (SIB) payments from the [REDACTED] Industrial Bank account. Lattisaw obtained approximately \$160,000 by gaining access to the bank accounts originally owned by [REDACTED]. During the same time, Lattisaw used his authentic SSN to obtain Supplemental Security Income (SSI) from the Social Security Administration (SSA) totaling \$110,107. Lattisaw concealed from the SSA the income obtained from the [REDACTED] and [REDACTED] accounts.

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is **FOR OFFICIAL USE ONLY** and its disclosure to unauthorized persons is prohibited.



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

The OGC requested that TOIG reopen the Lattisaw investigation based upon a pattern of fraud directed at elderly women. Lattisaw used the SSN belonging to [REDACTED] to gain access to the [REDACTED] and [REDACTED] bank accounts. By using [REDACTED]'s SSN, Lattisaw was able to conceal income he received via the [REDACTED] and [REDACTED] accounts from the Social Security Administration (SSA).

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

- John Harrison Lattisaw 'aka' Calelah John Lattisaw, Subject
- [REDACTED], Private Citizen
- [REDACTED], Private Citizen
- [REDACTED], Private Citizen
- [REDACTED], Private Citizen
- [REDACTED], Private Citizen
- [REDACTED], Private Citizen
- [REDACTED], Private Citizen
- [REDACTED], former primary care physician for [REDACTED]
- [REDACTED], Private Citizen
- [REDACTED], Private Citizen

In addition, TOIG reviewed pertinent documents, including:

- District of Columbia (DC) Court of Appeals, Opinion & Judgement ([REDACTED])
- Memorandum Order, Superior Court, District of Columbia, Probate Division ([REDACTED])
- Bank records: Bank of America, PNC, Harbour Bank, and Industrial Bank

### **Investigative Activity**

TOIG met with [REDACTED] Attorney, of the Law Offices of Joseph, Greenwald and Laake. [REDACTED] represented the estate of [REDACTED]. [REDACTED] provided TOIG with various estate and financial documents associated with elderly victims [REDACTED], [REDACTED], [REDACTED], and subject John Lattisaw. (Exhibit 1)

TOIG reviewed a Memorandum Opinion and Judgement issued by the DC Court of Appeals in regards to elderly victim [REDACTED]. The document revealed that Lattisaw and [REDACTED], [REDACTED] personal representative, had been engaged in a trial regarding [REDACTED] last will and testament, as well as a related deed to [REDACTED] home. The document stated, "a jury had found that [REDACTED] lacked testamentary capacity and that appellant Lattisaw, aided by his fiancée, appellant [REDACTED], had engaged in fraud in the inducement and had used undue influence in persuading [REDACTED] to dispose

of her assets in Lattisaw's favor." The trial judge set aside [REDACTED] last will and testament and the deed to [REDACTED] home. A judgement for \$39,217.73 was entered against Lattisaw and in favor of Haley.

TOIG reviewed a Memorandum Order issued by the Superior Court of the District of Columbia, Probate Division in regards to elderly victim [REDACTED] [REDACTED]. The document revealed a disputed conservatorship regarding the estate of [REDACTED]. Lattisaw claimed to be legally married to [REDACTED]. However, the court found that the marriage between Lattisaw and [REDACTED] was invalid. Background information provided in the Memorandum Order revealed that [REDACTED] suffered from dementia and diminished cognitive function. The case background information also specified that Lattisaw took financial advantage of [REDACTED] utilizing predatory methods. The Memorandum Order revealed that [REDACTED] court appointed Guardian and Conservator at that time was Attorney [REDACTED].

TOIG interviewed [REDACTED] and obtained further information regarding the Lattisaw and [REDACTED] marriage, and how it was eventually declared invalid. In 1998, the court appointed [REDACTED] as [REDACTED] guardian and conservator. As guardian and conservator to [REDACTED] [REDACTED] was responsible for overseeing [REDACTED] general well-being and protecting [REDACTED] financial assets. [REDACTED] conducted investigative research to obtain further information regarding [REDACTED] and Lattisaw. The research was initiated as part of a standard probate intervention process. The investigative research revealed that prior to meeting Lattisaw, [REDACTED] functioned well independently and lived in her house alone after the death of her husband.

[REDACTED] was given a psychological evaluation as part of the probate intervention process. Upon completing the psychological evaluation, the court declared [REDACTED] mentally incapacitated. [REDACTED] accepted [REDACTED] as her guardian and conservator because [REDACTED] had no family to assume that role. Because Lattisaw and [REDACTED] were allegedly married, [REDACTED] was required to communicate with Lattisaw regarding [REDACTED] appointments. [REDACTED] described Lattisaw as a skilled manipulator. [REDACTED] also stated that everything Lattisaw did was for his own benefit. [REDACTED] confirmed that the Memorandum Order issued by the Superior Court of the District of Columbia, Probate Division declared the Lattisaw and [REDACTED] marriage as void ab initio, or invalid from the outset. (Exhibit 2)

In regards to elderly victim [REDACTED] [REDACTED] TOIG reviewed an Opinion of Court issued by The Circuit Court for Prince George's County, Maryland. The document revealed that [REDACTED] had a stroke around August 2005. [REDACTED] was approximately 85 years old at the time. After approximately five months of care in nursing facilities, [REDACTED] returned to her residence. [REDACTED] needed continuing care to bath herself, prepare meals, and administer medication. [REDACTED] was on oxygen full-time, used a walker, and was forgetful. In February 2006, Lattisaw removed [REDACTED] from her residence and placed her into his residence. Lattisaw married [REDACTED] and represented himself as the power of attorney to gain access to [REDACTED] finances. [REDACTED] died on June 11, 2006.



TOIG reviewed PNC bank records and found that at the time of [REDACTED] death, her PNC bank accounts contained approximately \$160,000. Approximately five days after [REDACTED] death, Lattisaw withdrew \$160,000 from the PNC accounts. Lattisaw opened a checking account at the Harbor Bank of Maryland using the name John H. Lattisaw and SSN [REDACTED] with an opening deposit of approximately \$138,000.

TOIG continued reviewing Bank of America and PNC bank records linked to [REDACTED] and found the name John H. Lattisaw listed as a joint account holder on the bank records. TOIG also found SSN [REDACTED] listed on the bank records in connection to the name John H. Lattisaw.

TOIG reviewed SSN verification research provided by the Social Security Administration, Office of Inspector General (SSA-OIG). SSA-OIG research links SSN [REDACTED] to an individual named [REDACTED]. SSA-OIG research also confirmed that Lattisaw's actual SSN is [REDACTED].  
(Exhibit 3)

In regards to elderly victim [REDACTED] TOIG reviewed various records associated with her retirement annuity and SSA payments. [REDACTED] received a pension based upon her employment with DC Public Schools. She also received Survivor's Insurance Benefit (SIB) payments from the SSA in association with her deceased husband, [REDACTED]. All of the retirement annuity and SIB payments should have terminated upon her death on November 23, 1997. According to the Office of DC Pension, [REDACTED] continued to receive annuity payments after her death resulting in a \$593,334.22 overpayment. According to the SSA, [REDACTED] continued to receive SIB payments after her death resulting in a \$44,926 overpayment.

TOIG conducted research via the Treasury Check Information System (TCIS) to identify retirement annuity payments issued after her date of death. TCIS records revealed Automated Clearing House (ACH) payments issued to [REDACTED] from October 2003 through July 2010. The issuing agency was the Department of the Treasury, Office of DC Pensions.  
(Exhibit 4)

TOIG reviewed retirement annuity payment records issued to [REDACTED] obtained from the Bureau of the Fiscal Service (BFS). BFS provided payments records covering February 2001 through July 2010. The records reflect the name [REDACTED] the bank identification number 054000959 and the bank account number 0797073. The bank identification number corresponds to the routing number for Industrial Bank. The bank account number corresponds to an Industrial Bank account bearing the names [REDACTED] and John H. Lattisaw. (Exhibit 5)

TOIG reviewed Industrial Bank records associated with account number [REDACTED]. TOIG found an Industrial Bank signature card dated November 30, 1995. The signature card also bore the name John H. Lattisaw and SSN [REDACTED]. TOIG also reviewed Industrial Bank records for years

2003 through 2010. The review revealed monthly retirement annuity and SSA deposits, as well as multiple ATM withdrawals.

TOIG notified SSA-OIG regarding Lattisaw's misuse of [REDACTED]'s SSN. SSA-OIG agreed to open a joint investigation and conducted further investigative research. SSA-OIG drafted a Report of Investigation (ROI) citing their findings and provided that report to TOIG for review. The ROI revealed that Lattisaw was the recipient of monthly Supplemental Security Income (SSI) payments. Lattisaw's actual SSN [REDACTED], is linked to the SSI payments. (Exhibit 6)

SSA-OIG conducted further research at the request of the United States Attorney's Office (USAO), Baltimore, MD in regards to Lattisaw's SSI payments. SSA-OIG determined that Lattisaw received \$110,107 in SSI benefits related to his actual SSN. Furthermore, Lattisaw received monthly SSI payments during the same time he obtained funds from the [REDACTED] and [REDACTED] bank accounts. However, Lattisaw never reported any changes in income or resources to the SSA. Lattisaw's failure to report the income he obtained via the [REDACTED] and [REDACTED] accounts constituted an overpayment in SSI benefits.

The United States District Court, District of Maryland issued a search warrant for Lattisaw's residence, [REDACTED]. TOIG executed the search warrant in relation to Lattisaw's fraudulently obtained Social Security Benefits. TOIG located various documents bearing the names and/or identifiers of other individuals unassociated with Lattisaw and the residence. (Exhibit 7)

### **Referrals**

On April 22, 2014, TOIG presented the case for prosecution to the USAO, Baltimore, MD. (Exhibit 8)

On June 17, 2015, Assistant United States Attorney (AUSA), [REDACTED] rry accepted the case for prosecution.

### **Judicial Action**

On June 17, 2015, Lattisaw was indicted in the United States District Court, District of Maryland for three counts of 18 USC 1343 Wire Fraud, one count of 42 USC 408(a)(4)(ii) Title II Benefit Fraud, and one count of 42 USC 1383a(a)(3)(A) Social Security Benefit Fraud. U.S. Magistrate Judge [REDACTED] issued an arrest warrant for Lattisaw on the same day. (Exhibit 9)

On May 16, 2016, Lattisaw plead guilty to one count of 18 USC § 1343 Wire Fraud.

On August 24, 2016, Lattisaw was sentenced to 36 months' imprisonment, followed by 36 months of supervised probation. Lattisaw was ordered to pay \$748,403.22 in restitution and a \$100 assessment. (Exhibit 10)

### **Findings**

The investigation determined that the allegations were substantiated. Lattisaw used the SSN belonging to [REDACTED] to gain access to the bank accounts of [REDACTED] and [REDACTED]. Lattisaw also fraudulently obtained \$100,107 in SSI payments by using his legitimately issued SSN during the same time he appropriated funds from the [REDACTED] and [REDACTED] accounts. By using [REDACTED]'s SSN, Lattisaw concealed income he gained via those accounts. Furthermore, Lattisaw failed to report the income he received via the [REDACTED] and [REDACTED] accounts to the SSA.

### **Distribution**

Mike Lewis, Senior Advisor, Department of the Treasury

Signatures

Case Agent:



04/25/2017

Date

Supervisor:



4/25/17

Anthony J. Scott

Date

**Exhibits**

1. Memorandum of Activity, Records Obtained, dated August 12, 2013.
2. Memorandum of Activity, Witness Interview, dated July 31, 2014.
3. Memorandum of Activity, Records Review, dated July 09, 2013.
4. Memorandum of Activity, Records Review, dated January 16, 2014.
5. Memorandum of Activity, Records Obtained, dated March 31, 2014.
6. Memorandum of Activity, Records Obtained, dated January 28, 2015.
7. Memorandum of Activity, Search Warrant Obtained, dated July 01, 2015.
8. Memorandum of Activity, Case Presentation, dated April 24, 2014.
9. Memorandum of Activity, Arrest Warrant Obtained, dated June 25, 2015.
10. Memorandum of Activity, Sentencing, dated August 29, 2016.



**REPORT OF INVESTIGATION  
DO-16-2111-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:** William Hatchett

**Case #:** DO-16-2111-I

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

**Investigation Initiated:** June 23, 2016

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

**Investigation Completed:** SEP 11 2017

**Origin:** Broward County, FL Sheriff's Office

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

### Summary

On June 23, 2016, Detective [REDACTED] Broward County Florida Sheriff's Office (BSO), requested assistance from the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), to investigate a case in which William Hatchett, a Sovereign Citizen, filed false documents in the Broward County Clerk of Court's Office. The documents were filed in a foreclosure case against Bank of America. In the documents William Hatchett forged U.S. Treasury Secretary Jacob J. Lew's signature on IRS Form 56 Notice Concerning Fiduciary Relationship. The documents were filed in support of a fraudulent bankruptcy scheme to allow the subjects to "squat" in a residence that was rented in 2008 and very few payments have been made on. (Exhibit 1)

The investigation determined that the allegation was substantiated. The signature of Secretary Lew was a forgery. TOIG assisted BSO by obtaining a declaration from the Executive Office of the Secretary of the Treasury Jacob Lew stating the signatures on any forms in this case were not authentic. (Exhibit 2)

On September 21, 2016, Detective [REDACTED] Broward County Florida Sheriff's Office (BSO), advised he had sworn out arrest warrants for William Hatchett, a Sovereign Citizen. (Exhibit 3)

On December 16, 2016, Hatchett was arrested in Lee County, Florida following cell phone tracking operation conducted by the U.S. Marshal's Service. (Exhibit 4)

On July 5, 2017, Hatchett was sentenced to eight months (credit for time served), along with five years probation. (Exhibit 5)

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

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

On June 23, 2016, Detective [REDACTED], BSO, requested assistance from TOIG to investigate a case in which William Hatchett, a Sovereign Citizen, filed false documents in the Broward County Clerk of Court's Office. The documents were filed in a foreclosure case against Bank of America. In the documents William Hatchett forged U.S. Treasury Secretary Jacob J. Lew's signature on IRS Form 56 Notice Concerning Fiduciary Relationship. (Exhibit 1)

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

- [REDACTED] Executive Assistant, Executive Office of the Secretary of the Treasury

In addition, TOIG reviewed pertinent documents, including:

- Documents filed by William Hatchett in the Broward County Clerk of Court's Office.
- Declaration of [REDACTED] Executive Assistant, Executive Office of the Secretary of the Treasury.

### **Investigative Activity**

On July 19, 2016, TOIG obtained a declaration from [REDACTED] Executive Assistant, Executive Office of the Secretary of the Treasury advising the signatures on the documents provided to his office were not that of Secretary of the Treasury Jacob Lew. (Exhibit 2)

### **Referrals**

Det. [REDACTED] stated this case had earlier been accepted for prosecution June 20, 2015, by Assistant State Attorney [REDACTED] Florida State Attorney's Office, Broward County.

### **Judicial Action**

On September 21, 2016, Detective [REDACTED] Broward County Florida Sheriff's Office (BSO), advised he had secured Felony warrants on Hatchett for Criminal Use of Personal Identity, Florida State Statute (FSS) 817.568 (2)(c); Grand Theft, FSS 817.535(2)(a)1; and Unlawful Filing of False Documents or Records Against Property FSS 817.535(2)(a). (Exhibit 3)

On December 16, 2016, Hatchett was arrested in Lee County, Florida following cell phone tracking operation conducted by the U.S. Marshal's Service. (Exhibit 4)

On July 5, 2017, Hatchett pled guilty in the Florida 17<sup>th</sup> Judicial District, Broward County, and was sentenced to eight months (credit for time served), along with five years probation by Judge [REDACTED] Florida 17<sup>th</sup> Judicial District, Broward County. (Exhibit 5)

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

### **Findings**

The investigation determined that the allegation was substantiated. By pleading guilty, Hatchett admitted to forging the signature of U.S. Treasury Secretary Jacob Lew and filing the documents in the Broward County Clerk of Court's Office.

### **Distribution**

N/A

**Signatures**

**Case Agent:**

[Redacted Signature]

7/11/2017  
Date

**Supervisor:**

[Redacted Signature]  
Anthony J. Scott

9/11/17  
Date



**Exhibits**

1. Memorandum of Activity, Case Accepted, dated June 23, 2016.
2. Memorandum of Activity, Declaration of [REDACTED] dated June 23, 2016.
3. Memorandum of Activity, Arrest Warrants obtained, dated June 23, 2016.
4. Copy of State of Florida Arrest Warrants, dated September 21, 2016.
5. Copy of State of Florida Sentencing Order, dated July 5, 2017.
6. Copy of filings made by William Hatchett in the Broward County Clerk of Court's Office, dated January 27, 2016.

**REPORT OF INVESTIGATION  
DO-17-0376-I**



**Office of Inspector General**

---

**United States Department of the Treasury**



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



## Report of Investigation

**Case Title:** OFR Vandalism

**Case #:** DO-17-0376-I

**Investigation Initiated:** December 19, 2016

**Case Type:** Criminal X  
Administrative      
Civil    

**Investigation Completed:** JUL 18 2017

**Origin:** TOIG Office of Counsel

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

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

### Summary

On December 19, 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 Treasury Departmental Offices, Office of Financial Research (OFR), reporting that sometime between 7 pm on December 16, 2016, and approximately 8 am on December 19, 2016, numerous offices in the OFR were defaced. Phallic drawings were found on several windows on the 6th and 12th floors of the OFR office building. The words "Get fired" were found on a door on the 11th floor.

The investigation determined that the allegation is substantiated. TOIG reviewed access logs and identified a subject of interest who was responsible for the vandalism. TOIG interviewed the subject and obtained a confession. [REDACTED] IT Specialist, OFR, who took responsibility for these acts, is no longer employed with the U.S. Government and not subject to administrative action. This matter was referred to the United States Attorney's Office for the District of Columbia, but was declined for prosecution.

TOIG was also notified of a separate vandalism incident that occurred in November – December 2016. The words "Get Fired Already!!" were written on [REDACTED] door. [REDACTED] was not certain of the date of the incident because she had been away from the office and notified of the vandalism by another employee. TOIG reviewed badge records and video for that time period, but was unable to identify a suspect. [REDACTED] stated that he was only responsible for the one incident. TOIG also made numerous attempts to contact [REDACTED] for an interview but was unsuccessful. TOIG was later notified that [REDACTED] terminated her employment with OFR in April 2017.

**This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.**



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

On December 19, 2016, the U.S. Department of the Treasury, Office of Inspector General (TOIG), Office of Investigations, received a complaint via the TOIG Office of Counsel from the OFR regarding vandalism. Specifically, the complaint alleges that sometime between 7pm on December 16, 2016 and approximately 8am on December 19, 2016, offices in the OFR were vandalized. [REDACTED] OFR Counsel, related that there were drawings on some of the windows when he entered the building Monday morning. Phallic drawings were found on several of [REDACTED], OFR Director's office windows. [REDACTED] office is on the 6th floor. The same drawing was found, along with the words "You are a" on the door of [REDACTED] OFR's Deputy Director. [REDACTED] office is on the 12th floor. The words "Get Fired" were found on the door of [REDACTED] OFR's Data Center Acting Associate Director. [REDACTED]'s office is on the 11th floor. The OFR is located at 717 14<sup>th</sup> Street NW, Washington, D.C. 20003.

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

- [REDACTED] Chief Counsel, OFR
- [REDACTED] OFR Deputy Director
- [REDACTED] IT Specialist, Application Development, OFR
- [REDACTED], Financial Data Specialist, OFR

In addition, TOIG reviewed pertinent documents, including:

- Access Logs from 717 14th St NW, Washington, D.C
- Pictures of Vandalism from the OFR

### **Investigative Activity**

In an interview with TOIG, [REDACTED] Chief Counsel, OFR, related that there were drawings on some of the windows when he entered the building Monday morning, December 19, 2016. Phallic drawings were found on several of [REDACTED] office windows. [REDACTED] office is on the 6th floor. The same drawing was found, along with the words "You are a" on the door of [REDACTED] office is on the 12th floor. The words "Get Fired" were found on the door of [REDACTED]'s office is on the 11th floor. [REDACTED] explained that OFR spaces could only be accessed by an agency-issued access card. [REDACTED] stated that security personnel in the lobby were also able to access the floors for security and safety checks as needed.

[REDACTED] disclosed that OFR has had consistently low Employee Viewpoint scores on the Office of Personnel Management annual federal survey over the last few years. [REDACTED] opined that many in the organization believe there is racial and gender discrimination in the OFR, and someone even created YouTube videos to that affect. [REDACTED] stated that an outside agency had been hired to do

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

a climate assessment and a pay equality assessment. [REDACTED] also related that [REDACTED] had filed an Equal Employment Opportunity (EEO) complaint against [REDACTED] and [REDACTED] for discrimination.

In an interview with TOIG, [REDACTED] OFR Deputy Director, disclosed that he has been working to improve Employee Viewpoint scores. [REDACTED] opined that employees view senior leadership negatively. There is a lot of frustration in the OFR regarding opportunities for upward mobility and training. [REDACTED] then related that [REDACTED] had graffiti on her door in early December 2016. "Get Fired Already" was written on her door. [REDACTED] disclosed there were three employees who had previously voiced concerns or complaints against [REDACTED] [REDACTED] and, [REDACTED]s, and [REDACTED] [REDACTED] [REDACTED] said there was a sense of conflict between [REDACTED] and [REDACTED]

TOIG reviewed the building access records provided by the OFR. The records showed that [REDACTED] accessed the OFR space located at 717 14<sup>th</sup> Street NW, Washington, D.C. on Sunday, December 18 2016, at approx. 4:32 pm. [REDACTED] was the only person, other than Front Desk Security personnel, that accessed the OFR area over the weekend.

In an interview with TOIG, [REDACTED] IT Specialist, Applications Development, OFR, [REDACTED] stated that he worked at the OFR for two and a half years. He began in the Data Center, then later moved to Information Technology. [REDACTED] disclosed that he had three supervisors while in the OFR: [REDACTED]eu, [REDACTED] [REDACTED] and [REDACTED] [REDACTED]. [REDACTED] stated that [REDACTED] [REDACTED] is Chief of the Data Center and [REDACTED] [REDACTED] is Chief of IT. [REDACTED] stated that OFR has great teams and great people working there. [REDACTED] revealed that he has accepted a position with the Bank of New York Mellon, Washington, D.C., which will begin once his time at OFR is complete. [REDACTED] related that he is currently a doctoral candidate. He stated that he understands both the technical and the economic side of the financial world, so he can speak to both.

[REDACTED] stated that the IT Division is a very close, tight knit group. [REDACTED] stated that upper management, however, is a "freak show". [REDACTED] related there are office politics and rumor problems in the OFR. [REDACTED] did not believe leadership handled the problems very well, although there has been improvement this year over last year. [REDACTED] revealed that he and [REDACTED] had tension while he worked for her. [REDACTED] also stated that someone wrote on [REDACTED] door approximately one month ago. [REDACTED] has not come back to the office since that time. [REDACTED] believed "Fired" was written on the door. [REDACTED] opined that [REDACTED] vandalized her own door so that she could telework five days per week. [REDACTED] said that he did not know of any other instances of vandalism. [REDACTED] stated that someone should put a caution sign on [REDACTED] door because she was always having personal or professional issues. [REDACTED] stated that [REDACTED] is very competent from a technical standpoint, but is not good at managing people. He then described [REDACTED] as a "phenomenal manager" despite the aforementioned issues.



[Agent's note: ██████ made several contradictory statements regarding ██████ leadership. These comments were all made before he admitted to the vandalism.]

██████ said he did not hear about the drawings or graffiti that occurred over the weekend. ██████ mentioned that he was in OFR over the weekend, clearing his desk in preparation for the upcoming move. ██████ said he came in on Saturday afternoon. ██████ stated that he only went to the 11th floor during his visit. ██████ also mentioned that he heard Security personnel walking around while he was there. ██████ told Security personnel that he would be on the 11th floor. ██████ opined that he was in the office for about 1.5 hours. He stated that he did not bring anything in or take anything out. ██████ was again advised that the interview was voluntary and that he could leave at any time. After numerous denials, ██████ admitted to drawing on the windows and doors. ██████ stated "I did it". ██████ stated he placed the drawings to draw attention to the mistreatment of employees in OFR. ██████ stated that he and many other employees have been victims of discrimination, mismanagement and mistreatment. ██████ stated that some of the primary individuals who participated in the discrimination were ██████, ██████ and ██████. ██████ admitted to going to the 6th floor, 11th floor, and 12th floor when he was in the office on Sunday. ██████ said he is trying to sell his home and had an open house that Sunday from approximately 1 to 4PM. ██████ added he was not able to stay home during the open house so he decided to come into the office to clean up his desk. ██████ stated that while in the office, he drew the phallic symbols on ██████ and ██████ offices, and also wrote "Get Fired" on ██████ door. ██████ also provided additional information pertaining to the mistreatment, mismanagement and discrimination in the OFR.

In an interview with TOIG, ██████, Financial Data Specialist, OFR, stated that she was aware of the vandalism. ██████ also stated that OFR leadership sent an email stating that the investigation was closed and the individual responsible had been identified.

[Agent's Note: ██████ was not interviewed for this investigation due to ██████'s schedule, and that ██████ admitted to the vandalism that occurred on December 18, 2016.]

TOIG was also notified of a separate vandalism incident involving ██████ that occurred in November – December 2016. The words "Get Fired Already!!" were written on ██████ door. ██████ informed TOIG via e-mail that she was not certain of the date of the incident because she had been away from the office and notified of the vandalism by another employee. TOIG reviewed badge records and video for that time period, but was unable to identify a suspect due to the large time range and number of employees, contractors, and visitors with access to the area. ██████ stated that he was only responsible for the one incident. TOIG also made numerous attempts to contact ██████ for an interview but was unsuccessful. TOIG was later notified that ██████ terminated her employment with OFR in April 2017.

### Referrals

The vandalism by [REDACTED] was referred for prosecution to the United States Attorney's Office for the District of Columbia, but was declined.

### Judicial Action

N/A

### Findings

The investigation determined that the allegation is substantiated. TOIG reviewed access logs and identified a subject of interest who was responsible for the vandalism. TOIG interviewed the subject and obtained a confession. [REDACTED] [REDACTED] who took responsibility for these acts, is no longer employed with the U.S. Government and not subject to administrative action. TOIG was also notified of a separate vandalism incident involving [REDACTED] that occurred in November – December 2016. The words "Get Fired Already!!" were written on [REDACTED] door. TOIG was unable to identify a suspect for this incident.

### Distribution

Mike Lewis, Senior Advisor, Departmental Offices

### Signatures

Case Agent:

[REDACTED]  
[REDACTED] S [REDACTED]  
[REDACTED] [REDACTED] [REDACTED]  
[REDACTED] [REDACTED] [REDACTED]

Anthony J. Scott

Jul 18, 2017  
Date

7/18/17  
Date

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

**Exhibits**

1. Lead Initiation, dated December 19, 2016.
2. Memorandum of Activity – Interview of [REDACTED] [REDACTED] dated December 27, 2016.
3. Memorandum of Activity – Interview of [REDACTED] dated December 27, 2016.
4. Memorandum of Activity – Interview of [REDACTED] [REDACTED] dated December 27, 2016.
5. Memorandum of Activity – Interview of [REDACTED], dated March 24, 2017
6. Beckwith/Garrity Form – [REDACTED] [REDACTED] dated December 23, 2016.
7. Signed Statement – [REDACTED], dated December 23, 2016.
8. Access logs from 717 14th Street NW, Washington D.C. 20003.
9. Vandalism pictures from 717 14th Street NW, Washington, D.C 20003.

REPORT OF INVESTIGATION  
MSB-12-2214-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]

Case #: MSB-12-2214-I

Investigation Initiated: July 18, 2012

Case Type: Criminal X

Administrative   

Investigation Completed:

AUG 16 2017

Civil X

Conducted by: [REDACTED]

Special Agent

Origin: [REDACTED]

U.S. Department of Justice

Approved by: Anthony J. Scott

Special Agent in Charge

### Summary

On July 18, 2012, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), initiated an investigation as a result of a request from the U.S. Attorney's Office for the Central District of California (USAO-CDC), to assist and augment the investigation into whether [REDACTED] was aware a California franchisee transmitted approximately \$60 million in sub-\$2,000 increments to the People's Republic of China in a single year.

The investigation determined that the allegation was substantiated. [REDACTED] knew certain U.S. agents were allowing illegal structuring of financial actions and rather than take corrective action to eliminate the structuring, [REDACTED] allowed the agents to remain open, use [REDACTED] payment systems to transfer funds, and paid the agents bonuses. [REDACTED] did all of this despite repeated compliance reviews which identified suspicious or illegal activity being conducted by those same agents. The investigation also substantiated that [REDACTED] knew of, and failed to take corrective action, against agents involved in or facilitating significant numbers of fraudulently induced payments and illegal [REDACTED] transactions transmitted via [REDACTED] agents from Florida to offshore banks. On January 19, 2017, [REDACTED] agreed to forfeit \$586 million and entered into a deferred prosecution agreement (DPA) with the U.S. Department of Justice, Asset Forfeiture and Money Laundering Section (AFMLS), the Federal Trade Commission (FTC), and the U.S. Attorney's Offices for the CDC, Middle District of Pennsylvania (MDP), Eastern District of Pennsylvania (EDP), and the Southern District of Florida (SDFL). In the agreement with DOJ-AFMLS, [REDACTED] admitted to violations including willfully [REDACTED] to maintain an effective anti-money laundering (AML) program and aiding and abetting wire fraud. (Exhibit 1)

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.





Report of Investigation

Case Name: [REDACTED]

Case # MSB-12-2214-I

Page 3 of 6

- [REDACTED], [REDACTED]
- [REDACTED], [REDACTED]

In addition, TOIG reviewed pertinent documents, including:

- Data query & analysis of [REDACTED] high volume agents.
- Data query & analysis of [REDACTED] transactions.
- Data query & analysis of [REDACTED] high dollar volume agents.
- Data query & analysis of questionable transactions by five [REDACTED] agents.

### Investigative Activity

TOIG jointly conducted interviews of several [REDACTED] employees located in Denver, CO with the USAO-CDC, the Internal Revenue Service, Criminal Investigations (IRS-CI), the Federal Bureau of Investigations (FBI), and the Newport Beach Police Department (NBPD). The [REDACTED] employees interviewed held various positions in the Compliance, Sales, and Marketing offices including the Senior Vice President and Chief Compliance Officer, the Vice President of Global Compliance, the Senior Vice President of Sales and Account Management, and several Compliance Officers. Interviews of [REDACTED] employees indicated [REDACTED] was aware of repeated structuring and compliance violations by high-volume [REDACTED] agents including the California franchisee but allowed the agents to remain open and continued processing the transactions.

Extensive joint investigative efforts between 2014 to 2016, included interviews, record reviews, data analysis, and meetings with Counsel for [REDACTED] TOIG conducted extensive data mining of available financial documentation, coordinated legal discussions between DOJ-AFMLS, the USAO-CDC, and Financial Crimes Enforcement Network (FinCEN) General Counsel, and located international case documentation regarding a fine assessed against [REDACTED] (Exhibit 2)

### Referrals

On January 19, 2017, this investigation was declined for criminal prosecution by DOJ-AFMLS as a result of a deferred prosecution agreement (DPA) and settlement between DOJ-AFMLS, the FTC, and [REDACTED] (Exhibits 3 & 4)

### Judicial Action

On January 19, 2017, [REDACTED] agreed to forfeit \$586 million and entered into a DPA with DOJ-AFMLS, the FTC, and the USAOs for the CDC, MDP, EDP, and the SDFL. (Exhibit 5)

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

## **Findings**

The investigation determined that the allegation was substantiated. [REDACTED] knew certain U.S. agents were allowing illegal structuring of financial actions and rather than take corrective action to eliminate the structuring, [REDACTED] allowed the agents to remain open, use [REDACTED] payment systems to transfer funds, and paid the agents bonuses. [REDACTED] did all of this despite repeated compliance reviews which identified suspicious or illegal activity being conducted by those same agents. The investigation also substantiated that [REDACTED] knew of, and failed to take corrective action, against agents involved in or facilitating significant numbers of fraudulently induced payments and illegal [REDACTED] transactions transmitted via [REDACTED] agents from Florida to offshore banks. On January 19, 2017, [REDACTED] agreed to forfeit \$586 million and entered into a deferred prosecution agreement (DPA) with the U.S. Department of Justice, Asset Forfeiture and Money Laundering Section (AFMLS), the Federal Trade Commission (FTC), and the U.S. Attorney's Offices for the CDC, Middle District of Pennsylvania (MDP), Eastern District of Pennsylvania (EDP), and the Southern District of Florida (SDFL). In the agreement with DOJ-AFMLS, [REDACTED] admitted to violations including willfully [REDACTED] to maintain an effective anti-money laundering (AML) program and aiding and abetting wire fraud.

## **Distribution**

N/A

Report of Investigation

Case Name: [REDACTED]

Case # MSB-12-2214-I

Page 5 of 6

Signatures

Case Agent: [REDACTED]

8/8/17  
Date

Supervisor: [REDACTED]

8/9/17  
Date

Anthony J. Scott

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

Report of Investigation

Case Name: [REDACTED]

Case # MSB-12-2214-I

Page 6 of 6

**Exhibits**

1. Complaint Initiation, dated September 20, 2012.
2. FinCEN Assessment of Civil Money Penalty Against [REDACTED] dated March 6, 2003.
3. Memorandum of Activity, AUSA Referral, dated July 17, 2012.
4. Memorandum of Activity, AUSA Declination, dated January 19, 2017.
5. DOJ AFMLS, FTC, & [REDACTED] Settlement for \$586,000,000, dated January 19, 2017.

**This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.**





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



## Report of Investigation

**Case Title:** ■■■ ■■■ & ■■■ ■■■■■■■■■■  
■■■ ■■■  
National Bank Examiner  
Office of the Comptroller of the  
Currency (OCC)  
Band VI  
  
■■■ ■■■■■■■■■■  
(Private Citizen)

**Case #:** OCC-14-0393-I

**Case Type:** Criminal   X    
Administrative         
Civil       

**Conducted by:** ■■■■■■■■■■  
Special Agent

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

**Investigation Initiated:** July 23, 2014

**Investigation Completed:** July 10, 2017

**Origin:** Laura McAuliffe  
Senior Advisor  
OCC

### Summary

Office of the Comptroller of the Currency (OCC), Senior Advisor, Laura McAuliffe informed the Treasury Office of Inspector General, Office of Investigations (TOIG) that current OCC employee ■■■ ■■■ and former OCC employee ■■■■■■■■■■ were allegedly conducting banking activity that potentially reflected structuring and money laundering. Both ■■■ and ■■■■■■■■■■ were subjects of two prior TOIG investigations, OCC-12-1140-I and OCC-12-1028-I respectively. The OCC referenced Financial Crimes Enforcement Network (FinCEN) documents as the basis of the allegation. The OCC obtained the FinCEN documents from ■■■ National Bank (■■■NB). (Exhibit 1)

The investigation determined that the allegations were unsubstantiated. TOIG reviewed voluminous FinCEN and ■■■NB documents regarding the accounts associated with ■■■■■■■■■■ and ■■■■■■■■■■ prior tobacco sales business, ■■■ Management, Inc. TOIG also reviewed financial documents linked to several associates of ■■■ and ■■■■■■■■■■ TOIG's review identified cash, check, and transfer activity associated with ■■■■■■■■■■ and his associates; however, TOIG was unable to link the activity to an underlying criminal enterprise or scheme. TOIG presented the investigation for federal and local prosecution. Both federal and local prosecutors declined the investigation for prosecution.

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

## Report of Investigation

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

Case # OCC-14-0393-I

Page 2 of 5

### Basis and Scope of the Investigation

TOIG received information from the OCC regarding potential structuring and money laundering linked to current OCC employee [REDACTED] [REDACTED] and former OCC employee [REDACTED] [REDACTED]. The OCC transferred [REDACTED] NB and FinCEN documents to TOIG indicating that [REDACTED] conducted cash deposits and withdrawals under \$10,000 to avoid Currency Transaction Report (CTR) reporting requirements. TOIG reviewed documents regarding the accounts associated with [REDACTED] and [REDACTED] prior tobacco sales business, [REDACTED] Management, Inc. TOIG also reviewed documents referencing associates [REDACTED] [REDACTED] [REDACTED], [REDACTED] [REDACTED] [REDACTED], [REDACTED], and [REDACTED]. TOIG's review identified cash, check, and transfer activity associated with [REDACTED] and his associates; however, TOIG was unable to link the activity to an underlying criminal enterprise or scheme.

TOIG reviewed pertinent documents, including:

- FinCEN documents provided by [REDACTED] NB to the OCC
- [REDACTED] NB account documents related to [REDACTED] [REDACTED] [REDACTED] [REDACTED], [REDACTED] [REDACTED] [REDACTED] [REDACTED], and [REDACTED]

### Investigative Activity

TOIG reviewed [REDACTED] NB and FinCEN documents from the OCC to identify suspicious banking activity reflecting potential structuring and money laundering of \$81,631. [REDACTED] NB had reported to OCC that the activities appeared to be unusual because cash transactions fell under the Currency Transaction Report thresholds. [REDACTED] NB and FinCEN documents indicated that [REDACTED] conducted cash deposits and withdrawals under \$10,000 to avoid Currency Transaction Report (CTR) reporting requirements.

TOIG obtained and reviewed additional documents from [REDACTED] NB regarding [REDACTED] [REDACTED] and their associates. TOIG reviewed voluminous FinCEN and [REDACTED] NB documents regarding the accounts associated [REDACTED] and [REDACTED] prior tobacco sales business, [REDACTED] Management, Inc.

TOIG also reviewed documents referencing [REDACTED] [REDACTED] and [REDACTED] [REDACTED] as well as their associates [REDACTED], [REDACTED] [REDACTED] [REDACTED], and [REDACTED]. TOIG's review identified cash, check, and transfer banking activity associated with [REDACTED] and his associates. The most notable transactions occurred in July 2013, when two withdrawals for \$9,500 occurred, and October 2013, when six additional withdrawals for \$9,000, \$8,000, \$9,200, \$9,300, \$9,100, and \$8,500 occurred. All of the withdrawal activity was associated with [REDACTED] NB account 7876562542. [REDACTED] [REDACTED] is the account holder for [REDACTED] NB account [REDACTED] and had asked [REDACTED] NB employees about CTR reporting requirements. (Exhibit 2)

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

## Report of Investigation

Case Name: [REDACTED] and [REDACTED]

Case # OCC-14-0393-I

Page 3 of 5

After reviewing voluminous amounts of financial documents, TOIG was unable to link the activity to an underlying criminal enterprise or scheme. The amounts associated with the withdrawals were suspicious because [REDACTED] made inquiries with [REDACTED] NB employees regarding CTR reporting requirements and the withdrawal amounts fell under the CTR thresholds; however, TOIG was unable to identify criminal activity beyond the suspicious withdrawals.

### Referrals

On August 21, 2015, TOIG presented the case to [REDACTED], Assistant United States Attorney (AUSA) for the Northern District of Illinois. [REDACTED] informed TOIG that his office was declining criminal prosecution regarding [REDACTED] and [REDACTED] because the case did not meet prosecutorial guidelines for his office. (Exhibit 3)

On November 17, 2015, TOIG presented the case to [REDACTED], Chief of Special Prosecutions, Illinois Office of the Attorney General. [REDACTED] informed TOIG his office wanted to examine the case details further before committing his office to a criminal prosecution. (Exhibit 4)

On November 03, 2016, [REDACTED], Assistant Attorney General (AAG), Illinois Office of the Attorney General, informed TOIG that her office was declining criminal prosecution regarding [REDACTED] and [REDACTED] because no evidence of criminality was identified. (Exhibit 5)

### Judicial Action

N/A

### Findings

The investigation determined that the allegations were unsubstantiated. Although the amounts associated with the withdrawals were suspicious, TOIG was unable to link the banking activity of [REDACTED] and [REDACTED] to an underlying criminal enterprise or scheme after reviewing voluminous amounts of financial documents.

### Distribution

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

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

Report of Investigation

Case Name: [REDACTED] and [REDACTED]

Case # OCC-14-0393-I

Page 4 of 5

Signatures

Case Agent:

[REDACTED]  
[REDACTED]

07/10/2017

Date

Supervisor:

[REDACTED]

07/10/2017

Date

For Anthony J. Scott

Report of Investigation

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

Case # OCC-14-0393-I

Page 5 of 5

**Exhibits**

1. Lead Initiation, dated December 31, 2013.
2. Memorandum of Activity, Records/Information Obtained, dated April 25, 2014.
3. Memorandum of Activity, [REDACTED] and [REDACTED] Case Presented for Federal Prosecution (Declined), dated September 01, 2015.
4. Memorandum of Activity, [REDACTED] and [REDACTED] Case Presented for Local Prosecution, dated November 17, 2015.
5. Memorandum of Activity, [REDACTED] and [REDACTED] Case Declined for Local Prosecution, dated January 11, 2017.





OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

JUN 29 2017

**MEMORANDUM FOR THE OFFICE OF INVESTIGATIONS**

**FROM:** Anthony J. Scott [REDACTED]  
Special Agent in Charge

**SUBJECT:** Wells Fargo Venezuelan Account Take-Over

OIG Case Number: OCC-16-2444-I

An investigation was initiated by TOIG after receiving a request for assistance from the Jacksonville Sheriff's Office (JSO) with an investigation regarding a string or related account-takeovers of high-value accounts belonging to Venezuelan Nationals between October 2015 – July 2016. The account takeovers resulted in the rapid withdrawal of funds via wire, cash withdrawals and transfers to new accounts opened in the names of victims, but allegedly controlled by subjects.

TOIG and JSO subpoenaed bank records for accounts and interviewed witnesses and bank investigators. All video stills of the subjects were submitted for facial recognition, but no positive identifications were developed. A Wells Fargo employee identified her ex-boyfriend as one of the subjects who conducted transactions in Jacksonville, Florida; however, her identification was not accurate, which caused the recall of a warrant and tainted the investigation.

The investigation and evidence was presented to the Chief Assistant State Attorney, Special Prosecution Section, Fourth Judicial District of Florida, and further prosecution was declined.

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

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

Office of Inspector General – Investigations  
Department of the Treasury



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

OFFICE OF  
INSPECTOR GENERAL

July 13, 2017

MEMORANDUM FOR THE OFFICE OF INVESTIGATIONS

FROM: *for* Anthony J. Scott [REDACTED]  
Special Agent in Charge

SUBJECT: [REDACTED]  
Bank Fraud, Wire Fraud

OIG Case Number: OCC-16-2935-I

In September 2016, the Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), initiated an investigation after receiving a request for assistance from the Department of Homeland Security – Homeland Security Investigations (HSI) regarding possible bank and wire fraud from fraudulent credit card transactions originating from [REDACTED]. The District of Columbia Department of Motor Vehicles contacted HSI after facial recognition software identified an individual as possibly having more than one driver's license. Immigration records indicate that [REDACTED] was likely the individual's true identity, and HSI opened an investigation.

Preliminary database searches revealed that [REDACTED] was associated with eight Virginia based corporations, and was the organizer and/or registered agent for most of these corporations. The formation of these corporations was accomplished electronically with the Virginia State Corporation Commission (SCC). SCC did not retain any physical documentation that would positively identify the identities or addresses of organizers, registered agents, or corporate officers. The SCC identified [REDACTED], [REDACTED] mother, as the organizer of [REDACTED] Services LLC. Database searches also revealed several questionable financial transactions conducted by [REDACTED].

SunTrust Bank indicated that [REDACTED] and [REDACTED] were the account holders of four bank accounts related to [REDACTED] Services. [REDACTED] is believed to be [REDACTED] girlfriend. SunTrust records showed that over \$140,000 was deposited in these accounts between May 2015 and February

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

Office of Inspector General – Investigations  
Department of the Treasury

2016, with most of the transactions being cash deposits. SunTrust closed these accounts after identifying the potential fraud.

Investigative research shows that two credit card merchant accounts were created for the [REDACTED] in February and March 2012. [REDACTED] was doing business as the [REDACTED] which was formed in February 2012, with [REDACTED] as the Registered Agent. Between May and July 2012, a large number of disputed and/or unusual credit card transactions occurred at the [REDACTED]. The unusual transactions, totaling approximately \$34,000, were identified as questionable because they were unusually large and keyed in, indicating that a card was not swiped.

[REDACTED] told Bank of America (BoA) and the Dumfries (VA) Police Department that she believed [REDACTED] gained access to her accounts and conducted various unauthorized transactions. Based on receipts and checks written from [REDACTED]'s BoA account, it appears that [REDACTED] conducted numerous unauthorized transactions. BoA is regulated by the Office of the Comptroller of the Currency.

In September 2016, this case was presented for prosecution to the United States Attorney's Office, Eastern District of Virginia (USAO-EDVA). After several months, the USAO failed to act in assigning or opening the case. HSI closed their case and will not investigate the matter any further.

As a result, TOIG determined that the allegations do not merit additional investigative resources due to the USAO's decision and HSI's closure of their investigation, and the matter is being closed accordingly.

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



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



## Report of Investigation

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

**Case #:** OCC-16-2931-I

**Investigation Initiated:** November 29, 2016

**Case Type:** Criminal   X    
Administrative         
Civil       

**Investigation Completed:** July 13, 2017

**Origin:** [REDACTED]  
Vice President  
BSA/AML Officer  
Bank of Oak Ridge

**Conducted by:** [REDACTED]  
Task Force Officer

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

### Summary

On September 30, 2016, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), initiated an investigation based on information provided by the Bank of Oak Ridge. [REDACTED] a bank account holder, had a Social Security representative payee account that was being misused by [REDACTED] daughter and representative payee, [REDACTED]. [REDACTED] was reportedly misusing her father's Social Security benefits for her own personal use.

The investigation determined that the allegation was substantiated. [REDACTED] used her father's Bank of Oak Ridge representative payee account for her own benefit. From August 2014 to July 2016, [REDACTED] representative payee account had received \$119,753.63 in deposits and [REDACTED] had made purchases and withdrawals totaling \$104,560.50. The facts of this investigation were presented for criminal prosecution to the United States Attorneys Office (USAO) for the Middle District of North Carolina (MDNC). Assistant United States Attorney (AUSA) [REDACTED] declined prosecution due to the lack of prosecutorial merit.

Report of Investigation

Case Name: [REDACTED]

Case # OCC-16-2931-I

Page 2 of 5

**Basis and Scope of the Investigation**

On August 23, 2016, TOIG received information from [REDACTED], from the the Bank of Oak Ridge, alleging that a representative payee account belonging to [REDACTED] was being misused by his daughter, [REDACTED]. Account # [REDACTED] was setup in August 2014 to receive [REDACTED] Social Security Administration (SSA) and Veteran's Administration (VA) benefits. [REDACTED] was appointed by SSA to be [REDACTED] representative payee for this account in order to pay [REDACTED] bills and provide him with food and any welfare needs. [REDACTED] stated that between August 2014 and July 2016, [REDACTED] account had received deposits totaling \$119,753.63. As of July 2016, [REDACTED] had made purchases and withdrawals totaling \$104,460.50. [REDACTED] revoked [REDACTED] use of the debit card for this account in February 2016 and required her to come to one of their branches to make cash withdrawals in an effort to slow her spending her father's funds. (Exhibit 1)

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

- [REDACTED] Victim
- [REDACTED] Suspect and Daughter of Victim

In addition, TOIG reviewed pertinent documents, including:

- Grand Jury Bank Records from the Bank of Oak Ridge for [REDACTED] accounts

**Investigative Activity**

A TOIG review of bank records from the Bank of Oak Ridge showed that the Bank of Oak Ridge debit card (# [REDACTED]) issued to [REDACTED] made numerous purchases near the area where she lives in [REDACTED] County, North Carolina and other areas of North Carolina and South Carolina. Bank of Oak Ridge records indicate that [REDACTED] used the above debit card issued to her for this account, along with her general access to this account, to make a total of 1034 debits totaling approximately \$101,831.91. Bank of Oak Ridge records further indicate that [REDACTED] used the debit card issued to him, along with his general access to this account, for a total of 117 transactions totaling approximately \$6129.60.

In an interview with TOIG, [REDACTED] indicated that he had not seen [REDACTED] in approximately nine months and had not spoken to her by phone in approximately six months. [REDACTED] told TOIG that [REDACTED] was his representative payee over his Social Security money to pay his bills, but to his knowledge, she had not spent any of that money in about a year. (Exhibit 2)

TOIG and Social Security Office of Inspector General (SSAOIG) Special Agent (SA) [REDACTED] escorted [REDACTED] to the Bank of Oak Ridge located at 4423 Highway 220 North, Summerfield, North Carolina to have [REDACTED] removed as his power of attorney over his financial accounts, and to move his VA funds to a separate Bank of Oak Ridge account. [REDACTED] was present for this

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.



## Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # OCC-16-2931-I

Page 3 of 5

action. The removal of the power of attorney was done at the request of [REDACTED] to limit the amount of funds that [REDACTED] would have access to. (Exhibit 3)

In an interview with TOIG and SSAOIG, [REDACTED] [REDACTED] indicated that it had been approximately four months since she had seen her father. [REDACTED] told TOIG and SSAOIG that she had been responsible for paying her father's bills since becoming his representative payee in 2014. However, after she became his representative payee, his two homes foreclosed. [REDACTED] was asked other examples of bills that she paid on behalf of her father and she stated that she paid his power bill, Direct TV bill, VA Hospital bills and others. However, TOIG had already learned through its' investigation that she did not pay these bills for her father. [REDACTED] further told TOIG and SSAOIG that her father would often "give her cash". TOIG knew that this was not true as well, based upon its' investigation. SSAOIG asked [REDACTED] to produce receipts for bills paid by her for her father and she stated that she would have to locate them. [REDACTED] was also asked to produce receipts for any other purchases that were made for the welfare of her father and she, again, stated that she would have to locate them. SSAOIG provided a business card to [REDACTED] and requested her to contact them once those receipts were located. [REDACTED] subsequently never contacted SSAOIG with any payment/purchase receipts. (Exhibit 4)

TOIG and SSAOIG escorted [REDACTED] to the Social Security Administration office located at 6005 Landmark Center Boulevard, Greensboro, North Carolina to have [REDACTED] removed as [REDACTED] representative payee over his SSA benefits. This removal was done at the request of [REDACTED]. By [REDACTED] making this request to SSA, [REDACTED] no longer had access to any of his bank accounts or funds.

### Referrals

On September 23, 2016, TOIG presented the facts of this investigation for criminal prosecution to the United States Attorney's Office for the Middle District of North Carolina. (Exhibit 5)

On February 13, 2017, Assistant United States Attorney (AUSA) [REDACTED] declined prosecution due to the lack of prosecutorial merit. (Exhibit 6)

No state criminal charges will be pursued as the victim does not wish to pursue any further.

### Judicial Action

N/A

### Findings

The investigation determined that the allegation was substantiated. [REDACTED] a Bank of Oak Ridge account holder, had a representative payee account that was being misused by [REDACTED]

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

Report of Investigation

Case Name: [REDACTED]

Case # OCC-16-2931-I

Page 4 of 5

daughter and representative payee, [REDACTED] used this account for her own personal use.

Distribution

N/A

Signatures

Case Agent: *ASAC* [REDACTED]

*FOR:* [REDACTED]  
[REDACTED]

*7/13/17*  
Date

Supervisor:

*FOR* [REDACTED]  
Anthony J. Scott

*07/13/2017*  
Date

Report of Investigation

Case Name: [REDACTED]

Case # OCC-16-2931-I

Page 5 of 5

**Exhibits**

1. Complaint Documentation Form, dated September 9, 2016.
2. Memorandum of Activity, Interview - Victim, dated September 7, 2016.
3. Memorandum of Activity, LEO Activity - Other, dated March 7, 2017.
4. Memorandum of Activity, Interview - Subject, dated October 5, 2016.
5. Memorandum of Activity, Presented for Prosecution-Criminal (Accepted), dated November 29, 2016.
6. Memorandum or Activity, Presented for Prosecution-Criminal (Declined), dated March 7, 2017.



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

OFFICE OF  
INSPECTOR GENERAL

SEP 29 2017

**MEMORANDUM FOR THE OFFICE OF INVESTIGATIONS**

**FROM:** Anthony J. Scott [REDACTED]  
Special Agent in Charge

**SUBJECT:** [REDACTED] and [REDACTED] [REDACTED]

OIG Case Number: OIG-17-0071-I

In October 2016, an investigation was initiated by the U.S. Treasury Office of Inspector General (TOIG) after receiving a request for assistance from [REDACTED], Investigator, Escambia County, Florida Sheriff's Office, regarding the theft of monies from a possible missing person. Statements from witnesses interviewed by Investigator Wert indicate that [REDACTED] and [REDACTED] may have killed the victim, [REDACTED], and gained access to his bank account using forged checks.

Investigator [REDACTED] requested TOIG to conduct an analysis of any Federal benefits received by the victim in order to find any investigative leads. TOIG searched the Treasury Check Information System (TCIS) database which did not reveal any leads to assist in this investigation.

In August 2017, TOIG contacted [REDACTED], Special Agent, Federal Bureau of Investigation (FBI), Pensacola Resident Office, who is also assisting Investigator [REDACTED] with this investigation. It was concluded that due to the minimal dollar amount of \$40,000 that was allegedly stolen and the significant amount of time since the last activity on the victim's account being in 2008, there are no prosecutable criminal violations that are still within the statute of limitations for fraud or theft.

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

**REPORT OF INVESTIGATION  
DO-16-1802-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]  
Intermittent Economic Crimes  
Advisor, Office of Technical  
Assistance (OTA)

**Case #:** DO-16-1802-I

**Case Type:** Criminal  
Administrative   X    
Civil       

**Investigation Initiated:** May 31, 2016

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

**Investigation Completed:** FEB 06 2017

**Origin:** Department of Homeland Security,  
Homeland Security Investigations

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

### Summary

On May 15, 2016, the Department of Homeland Security, Homeland Security Investigations (HSI) office in San Juan, Puerto Rico contacted the U.S. Department of Treasury, Office of Inspector General (TOIG) regarding an allegation that [REDACTED] a contract employee with the Office of Technical Assistance (OTA) was detained in San Juan, Puerto Rico when she attempted to board a flight to Dominica with approximately 40 grams of marijuana, a DEA Schedule I controlled substance, concealed within her checked and carry-on luggage.

The investigation determined that the allegations are substantiated. On June 10, 2016, TOIG conducted an interview with [REDACTED] where she admitted that the marijuana that was located within and seized from her luggage as she attempted to board a flight from San Juan, Puerto Rico to Dominica did belong to her.

This investigation was not presented to the USAO in the District of Puerto Rico due to the fact that the amount of marijuana seized from [REDACTED] did not meet previously determined thresholds for prosecution.

On June 20, 2016, [REDACTED] tendered her resignation from OTA effective July 5, 2016.

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

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

This investigation was initiated on May 31, 2016, based upon information received from HSI regarding [REDACTED] being detained at the San Juan, Puerto Rico Airport while attempting to board a flight to Dominica after approximately 40 grams of marijuana were located in her luggage. This incident occurred while [REDACTED] was on official government travel as part of her employment as a contactor with OTA.

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

- [REDACTED] Associate Director, Economic Crimes Team, OTA
- [REDACTED] Senior Advisor, Economic Crimes Team, OTA
- [REDACTED] Intermittent Advisor, OTA

In addition, TOIG reviewed pertinent documents, including:

- CBP reports and photographs documenting the detention of [REDACTED] [REDACTED]
- HSI Report of Investigation detailing interview of [REDACTED] [REDACTED]
- Employment contract of [REDACTED] [REDACTED]
- Travel Vouchers from [REDACTED] [REDACTED] travel
- E-mail correspondences between [REDACTED] [REDACTED] and OTA

### **Investigative Activity**

On May 15, 2016, TOIG received information from HSI indicating that [REDACTED] was detained at the San Juan, Puerto Rico airport after approximately 40 grams of marijuana were located in her luggage as she attempted to board a flight to Dominica. HSI indicated that [REDACTED] was traveling on her official government passport to conduct training on behalf of the U.S. Department of the Treasury. (Exhibit 1)

U.S. Customs and Border Protection (CBP) provided TOIG information regarding the detention of [REDACTED] and the seizure of marijuana from her luggage. This information indicates that two separate Narcotics Detection Dogs, both certified to detect marijuana among other drugs alerted to narcotic odors in checked and carry-on luggage belonging to [REDACTED]. CBP conducted border searches of both in the presence of [REDACTED] and discovered a Barbasol container in her checked luggage and a Pringles potato chip container in her carry-on luggage. Examination of these items resulted in the discovery of approximately 36.8 grams of marijuana concealed in non-factory compartments accessed by unscrewing the bottom of each container. HSI Agents in San Juan, Puerto Rico conducted an interview with [REDACTED] who denied knowledge of the

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

Report of Investigation

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

Case # DO-16-1802-I

Page 3 of 6

marijuana in her luggage and claimed that the marijuana must have been planted there by an unknown party. (Exhibit 2 and 3)

On May 26, 2016, TOIG conducted an interview with [REDACTED] [REDACTED] Associate Director of the OTA Economic Crimes Team. [REDACTED] indicated that [REDACTED] [REDACTED] a Senior Advisor with OTA has oversight over both Liberia and Dominica, the two countries [REDACTED] was traveling between when she was detained. [REDACTED] was made aware that [REDACTED] missed a flight from Puerto Rico to Dominica while on official travel and provided copies of e-mail communications referencing the missed flight. [REDACTED] also provided a memo sent from [REDACTED] providing the reason for the missed flight as a stomach illness. None of the documentation provided by [REDACTED] referenced [REDACTED] detention in San Juan, Puerto Rico or the seizure of marijuana from [REDACTED] luggage. (Exhibit 4)

On May 31, 2016, TOIG conducted an interview with [REDACTED] [REDACTED] Senior Advisor with the OTA Economic Crimes Team. [REDACTED] indicated that she spoke with [REDACTED] on May 17, 2016 and that [REDACTED] informed her that she was sick and had missed a connecting flight from Puerto Rico to Dominica. [REDACTED] spoke with [REDACTED] a second time where she stated that her bags had been searched in Puerto Rico and that there was a narcotics detector dog present during the search. [REDACTED] told [REDACTED] that the search was a misunderstanding and made no mention about her detention or the seizure of marijuana from her luggage. (Exhibit 5)

On June 10, 2016, TOIG conducted an interview with [REDACTED] [REDACTED]. In summary, [REDACTED] admitted that her luggage was searched by Customs Inspectors while she was transiting Puerto Rico en route to Dominica and that marijuana belonging to her was discovered in her cosmetics bag and seized. [REDACTED] admitted that she failed to inform OTA of her detention and seizure and admitted that she informed OTA that she missed her flight because she was sick. [REDACTED] claimed that after the incident, which she described as "quite horrific" she claimed that she did feel sick. [REDACTED] claimed that OTA informed her that TOIG had reported the incident to them and she felt she did not have to report it as well. [REDACTED] added that she has a medical marijuana prescription from California. (Exhibit 6)

### Referrals

This investigation was not presented to the USAO in the District of Puerto Rico due to the fact that the amount of marijuana seized from [REDACTED] did not meet previously determined thresholds for prosecution.

On August 24, 2016, a memorandum was sent to [REDACTED], Suspension and Debarment Official for the Department of the Treasury requesting the debarment of [REDACTED] [REDACTED] as a non-responsible contractor for violations of 21 USC 844 Penalties for Simple Possession, 41 USC

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.



Report of Investigation

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

Case # DO-16-1802-I

Page 4 of 6

8102(a)(2) Drug-free workplace requirements for Federal contractors and FAR Part 23.500 Drug-free workplace. (Exhibit 7)

On December 27, 2016, [REDACTED] sent a memorandum to TOIG, determining that no action be taken on the request for debarment of [REDACTED] [REDACTED] indicated that procurement actions are being taken on [REDACTED] to seek repayment of costs incurred to the government as a result of her detention and that [REDACTED] has separated from her contractual relationship with OTA and that these factors were considered in the decision not to exclude [REDACTED] from future government contracts. (Exhibit 8)

**Judicial Action**

N/A

**Findings**

The investigation determined that the allegations are substantiated. On June 10, 2016 during an interview with TOIG, [REDACTED] admitted to attempting to transport marijuana from the U.S. to a place outside of the U.S. while of official travel for the U.S. Government.

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:

21 USC 844 Penalties for simple possession

21 USC 953 Exportation of controlled substances

41 USC 8102(a)(2) Drug-free workplace requirements for Federal contractors

FAR Part 23.500 Drug-free workplace.

On June 20, 2016, [REDACTED] tendered her resignation from OTA effective July 5, 2016.

**Distribution**

[REDACTED], Associate Director for Operations, Office of Technical Assistance

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

Report of Investigation

Case Name: [REDACTED]

Case # DO-16-1802-I

Page 5 of 6

Signatures

Case Agent:

[REDACTED]

1/9/17  
Date

Supervisor:

[REDACTED]

2/3/17  
Date

Anthony J. Scott

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.



**Exhibits**

1. Initial Complaint Document, dated May 15, 2016.
2. Memorandum of Activity, Evidence Obtained, dated September 19, 2016.
3. Memorandum of Activity, Evidence Obtained, dated June 2, 2016.
4. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated June 21, 2016.
5. Memorandum of Activity, Interview of [REDACTED] dated June 21, 2016.
6. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated July 7, 2016.
7. Suspension and Debarment Memorandum, dated August 24, 2016.
8. No-Action Memorandum in response to Suspension and Debarment Memorandum, dated December 27, 2016.

REPORT OF INVESTIGATION  
OCC-16-0523-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]  
National Bank Examiner  
NB-6  
Office of the Comptroller of  
the Currency

**Case #:** OCC-16-0523-I

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

**Investigation Initiated:** February 24, 2016

**Conducted by:** [REDACTED]  
Investigator

**Investigation Completed:** DEC 26 2016

**Origin:** [REDACTED]  
OIG Investigations Coordinator,  
Enterprise Governance  
Office of The Comptroller of the  
Currency

**Approved by:** Anthony J. Scott  
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] National Bank Examiner, misused his position as a Bank Examiner to solicit employment with The [REDACTED] National Bank ([REDACTED] [REDACTED] [REDACTED]) during an examination by the OCC.

The investigation determined that the allegations are unsubstantiated. [REDACTED] admitted to TOIG that he was attempting to build rapport with the President/CEO of [REDACTED] during the examination and told her that he had prior experience with small banks and that he would be retired before the OCC Report of Examination (ROE) was issued. [REDACTED] told TOIG that she felt that [REDACTED] was being aggressive in his examination and drew an inference from this conversation that [REDACTED] would give [REDACTED] a low rating so that he could later offer his services to [REDACTED] after he retired. [REDACTED] told TOIG that [REDACTED] never actually solicited employment with [REDACTED] but she felt his line of questioning was inappropriate.

Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # OCC-16-0523-I

Page 2 of 7

**Basis and Scope of the Investigation**

On December 16, 2015, TOIG received a complaint from OCC that [REDACTED] [REDACTED] National Bank Examiner, misused his position as a Bank Examiner to solicit employment with [REDACTED] [REDACTED] during a bank examination being conducted by the OCC. (Exhibit 1)

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

- [REDACTED] Assistant Deputy Comptroller - Witness
- [REDACTED] National Bank Examiner - Witness
- [REDACTED] [REDACTED] National Bank Examiner – Subject
- [REDACTED] [REDACTED] President/CEO, The [REDACTED] National Bank - Witness

In addition, TOIG reviewed pertinent documents, including:

- Report of Examination (ROE) of The [REDACTED] National Bank
- Correspondence (emails) regarding the allegations
- [REDACTED] Ethics Training Certificate
- Federal Ethics Regulations

**Investigative Activity**

In an interview with TOIG, [REDACTED], National Bank Examiner, OCC, stated that he was the lead NBE on the examination of the [REDACTED] which commenced on November 17, 2015, and that the OCC was examining [REDACTED] out of area lending practices for their commercial loans. [REDACTED] stated that [REDACTED] was trying to compete in a competitive lending market and was reaching out to its past customer base. [REDACTED] stated that the examination noted an unusual amount of exceptions to the underwriting policies and OCC considered [REDACTED] a risky institution because of their large portfolio of owner unoccupied commercial loans and [REDACTED] waiver of the Coventry requirements. [REDACTED] stated that [REDACTED] officials, namely [REDACTED] claimed to be addressing the issue.

[REDACTED] stated that [REDACTED] brought up two issues of concern during the examination of [REDACTED] [REDACTED] was concerned that the [REDACTED] Board of Directors were unaware of the exceptions to the loan requirements that [REDACTED] was waiving and that [REDACTED] was not providing any analysis of the loans to explain the exceptions. [REDACTED] stated that [REDACTED] was also concerned that there were discrepancies between what the [REDACTED] told the OCC examiners and what OCC found during the examination. [REDACTED] stated that [REDACTED] felt that [REDACTED] was lying about having a policy in place, however, [REDACTED] never provided the OCC with a copy of the policy.

[REDACTED] stated that he attended a meeting with [REDACTED] [REDACTED] and the [REDACTED] Chief Credit Officer which became very heated and contentious. [REDACTED] stated that all of the parties took a

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.



Report of Investigation

Case Name: [REDACTED]

Case # OCC-16-0523-I

Page 3 of 7

break from the meeting. [REDACTED] stated that he learned that [REDACTED] later met alone with [REDACTED] which is not uncommon during an examination of an institution. [REDACTED] stated the next day he received an email letter of complaint from [REDACTED] which stated that [REDACTED] was worried about [REDACTED] credibility regarding the examination because [REDACTED] told her that he planned on retiring soon and that he was looking to sit on a board of a bank. [REDACTED] stated that he forwarded [REDACTED] s letter to his Supervisor [REDACTED] Assistant Deputy Comptroller, OCC regarding the complaint against [REDACTED]. [REDACTED] stated that [REDACTED] contacted [REDACTED] and removed [REDACTED] from the examination of [REDACTED]. [REDACTED] stated that the examination of [REDACTED] continued.

[REDACTED] stated that all of [REDACTED] finding during the examination of [REDACTED] made it into the final ROE and that [REDACTED] findings were reviewed by three different individuals within OCC. [REDACTED] stated that [REDACTED] argued with OCC regarding a couple of findings in the ROE regarding risk management assessments of [REDACTED]. [REDACTED] stated that [REDACTED] had risk on the credit side of their portfolio in commercial real estate. [REDACTED] stated that OCC met with the Board of Directors of [REDACTED] on January 16, 2016 and the Board agreed to the OCC ROE findings and did not contest the ROE. (Exhibit 2)

In an interview with TOIG, [REDACTED] Assistant Deputy Comptroller, OCC, stated that he received a copy of a complaint letter from [REDACTED] the lead NBE on the examination of the [REDACTED] which commenced on November 17, 2015. [REDACTED] stated that he reviewed the letter from [REDACTED] and spoke to [REDACTED] Supervisor, [REDACTED], who recommended removing [REDACTED] from the examination of [REDACTED].

[REDACTED] stated that he contacted [REDACTED] and advised him that he was being removed from the [REDACTED] examination. [REDACTED] stated that he contacted [REDACTED] as well and advised her that [REDACTED] was being removed from the examination of [REDACTED] to maintain the integrity of the examination. [REDACTED] stated that this was his only conversation with [REDACTED] regarding this matter and that [REDACTED] filed a request through him requesting TOIG conduct an investigation of the allegations. [REDACTED] stated that during bank examinations it is common place for an examiner to interview bank personnel on their own and there is no OCC policy in place requiring two examiners to be present during an interview. [REDACTED] stated that he was not aware of any issues with [REDACTED] or his conduct during the examination of [REDACTED] (Exhibit 3)

In an interview with TOIG, [REDACTED] National Bank Examiner, OCC, stated that he was assigned to the [REDACTED] examination in November 2015, and he was in charge of the Asset Quality area. [REDACTED] stated that he had a few other NBE's working for him on this examination as well. [REDACTED] stated that he found an area that had been previously identified as a Matter Requiring Attention (MRA) that had been noted by OCC in a prior examination. [REDACTED] stated that the MRA was never adequately addressed or followed up on after the prior examination and he questioned [REDACTED] about the [REDACTED] needing to establish limits on exposure for their real estate lending.



Report of Investigation

Case Name: [REDACTED]

Case # OCC-16-0523-I

Page 4 of 7

[REDACTED] stated that [REDACTED] became belligerent with him and told [REDACTED] that this matter was history and had been addressed in the previous examination and [REDACTED] was upset over [REDACTED] questioning her about this MRA. [REDACTED] stated that [REDACTED] never provided any documentation to prove [REDACTED] compliance with the MRA and that [REDACTED] refused any follow up on the issue but did provide a budget without any numbers to show [REDACTED] limiting their exposure on their Commercial Real Estate Loans. [REDACTED] stated that the [REDACTED] Board of Directors approved the stress limits to the loan process and that most of the commercial real estate loans all were given exceptions to the process. [REDACTED] felt that the Board just approved the exceptions without any explanation of the risk that [REDACTED] was incurring.

[REDACTED] stated that [REDACTED] started to throw out names of the Associate Deputy Comptroller and the OCC Comptroller in an attempt to intimidate him and throw him off this issue of the examination. [REDACTED] stated that during the examination he discovered that the [REDACTED] policies did not monitor the banks' exposure on these commercial loans. [REDACTED] stated that [REDACTED] attempted to engage the other examiners in conversation attempting to gain information about the examination. [REDACTED] stated that he instructed the other examiners not to meet alone with [REDACTED] but subsequently met with [REDACTED] on his own. [REDACTED] stated that during this meeting he attempted to engage [REDACTED] in conversation to attempt to elicit more information about her and that during this conversation he told [REDACTED] that he had prior experience working with small banks and that he had run a small bank and been involved in the lending process and that he was retiring soon from the OCC.

[REDACTED] stated that [REDACTED] had lied to OCC examiners on three separate occasions and that he gave her ample opportunity to retract her previous statements, or provide documentation to OCC to disprove the discrepancy. [REDACTED] stated that [REDACTED] lied about having policies in place at [REDACTED] which addressed the prior MRA. [REDACTED] stated that [REDACTED] had construction lending over a certain percentage of [REDACTED] capital and also had commercial real estate over a certain percentage of [REDACTED] capital as well. [REDACTED] stated that [REDACTED] could not produce any written policies that [REDACTED] had in place relating to the MRA and that [REDACTED] could provide no proof that they had taken any action in relation to the MRA. [REDACTED] stated that [REDACTED] made false allegations against him in order to malign him and to have him removed from the examination of [REDACTED] (Exhibit 4)

In an Interview with TOIG, [REDACTED] President/CEO, The [REDACTED] National Bank, stated that during the OCC's examination of [REDACTED] [REDACTED] was the lead examiner and that [REDACTED] was running the Asset Quality Side of the examination. [REDACTED] felt that [REDACTED] behavior was odd from the beginning of the examination. [REDACTED] was very aggressive and [REDACTED] became concerned with his behavior and spoke to [REDACTED] about it. [REDACTED] tried to have at least three people attend meetings with [REDACTED] so that there would be witnesses to what was said. [REDACTED] stated that during the examination [REDACTED] was talking about bank wide things and did not limit his inquiry to the asset quality portion of the examination. [REDACTED] became concerned during a one on one meeting she had with [REDACTED] where [REDACTED] told her that he "was not concerned with the exam because he would be retired" and that [REDACTED] "planned on working for

Report of Investigation

Case Name: [REDACTED]

Case # OCC-16-0523-I

Page 5 of 7

a National Bank in Massachusetts". [REDACTED] stated that this concerned her because there are only three National Banks in Massachusetts, and that she drew inference from [REDACTED] comments that he may come down hard on [REDACTED] during the examination in an effort to later avail his services to [REDACTED] to correct the deficiencies noted in the examination. [REDACTED] stated that [REDACTED] never actually solicited employment with [REDACTED] but that his comments caused her concern as to how he would treat the bank during the examination. [REDACTED] stated that she sent an email with an attached complaint letter to [REDACTED] and that she was subsequently contacted by [REDACTED] Associate Deputy Comptroller, OCC regarding [REDACTED] removal from the [REDACTED] examination. [REDACTED] stated that it was not her intention to have [REDACTED] removed from the examination, merely to get her concerns on the record with OCC, should she have to appeal the examination findings. [REDACTED] stated that [REDACTED] accepted the OCC examinations findings in the ROE and did not appeal the findings. (Exhibit 5)

**Referrals**

NA

**Judicial Action**

NA

**Findings**

The investigation determined that the allegations are unsubstantiated. [REDACTED] denied soliciting employment with [REDACTED] from the President/CEO of [REDACTED]. [REDACTED] told TOIG that [REDACTED] never actually solicited employment with [REDACTED] but she felt his line of questioning was inappropriate.

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**

Tom Melo, Director, Enterprise Governance, OCC

Report of Investigation

Case Name: [REDACTED]

Case # OCC-16-0523-I

Page 6 of 7

Signatures

Case Agent:

[REDACTED]

12/2/16  
Date

Supervisor:

[REDACTED]

Anthony J. Scott

12/15/16  
Date

**Exhibits**

1. Original Complaint from Tom Melo, dated December 15, 2015.
2. Memorandum of Activity of Interview of [REDACTED] [REDACTED] dated October 20, 2016.
3. Memorandum of Activity of Interview of [REDACTED] [REDACTED] dated October 20, 2016.
4. Memorandum of Activity of Interview of [REDACTED] [REDACTED] dated October 20, 2016.
5. Memorandum of Activity of Interview of [REDACTED] [REDACTED] dated October 31, 2016.

**REPORT OF INVESTIGATION  
OCC-16-2551-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]  
National Bank Examiner  
NB-5  
Office of the Comptroller of  
the Currency

**Case #:** OCC-16-2551-I  
**Case Type:** Criminal  
Administrative X  
Civil

**Investigation Initiated:** November 15, 2016

**Conducted by:** [REDACTED]  
Investigator

**Investigation Completed:** FEB 15 2017

**Origin:** Angela Davis  
OIG Investigations Coordinator,  
Enterprise Governance  
Office of The Comptroller of the  
Currency

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

## Summary

The U.S. 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] National Bank Examiner, misused his position to solicit employment for his daughter with [REDACTED] Capital Bank ([REDACTED] San Antonio, TX) during an examination by the OCC. A secondary allegation that [REDACTED] participated in a matter which a family member has a financial interest was also reviewed.

The investigation determined that the allegation is unsubstantiated for the misuse of [REDACTED]. [REDACTED] did not solicit a position for his daughter with [REDACTED] President [REDACTED] brought up the matter in conversation and recommended that [REDACTED] daughter apply for the position with [REDACTED]. [REDACTED] failed to report this conversation to OCC management. The investigation determined that the allegation is substantiated that [REDACTED] violated 5 C.F.R. § 2635.502(a) which prohibits employees of the Executive Branch from participating in matters in which a member of the employee's household has a financial interest. [REDACTED] admitted to TOIG that he waited longer than he should have to notify his OCC Supervisor of this conflict because he wanted to continue to assist the Lead Examiner complete the OCC Report of Examination (ROE) and feared that by recusing himself, [REDACTED] would slow down the reporting process. [REDACTED] admits that he used poor judgement in waiting 30 days to notify OCC management about his daughter accepting a position with [REDACTED].

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

## Report of Investigation

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

Case # OCC-16-2551-I

Page 2 of 9

### Basis and Scope of the Investigation

On August 10, 2016, TOIG received a complaint from OCC that [REDACTED] [REDACTED] [REDACTED] National Bank Examiner, misused his position as a Bank Examiner to solicit employment for his daughter [REDACTED] [REDACTED] with [REDACTED] San Antonio, TX, a bank that [REDACTED] family member held a financial interest in while OCC was conducting a bank [REDACTED] (Exhibit 1)

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

- [REDACTED] [REDACTED] [REDACTED] ( [REDACTED] ), Assistant Deputy Comptroller - Witness
- [REDACTED] [REDACTED] National Bank Examiner - Witness
- [REDACTED] [REDACTED] [REDACTED] National Bank Examiner – Subject
- [REDACTED] [REDACTED] President/CEO, [REDACTED] – Witness
- [REDACTED] [REDACTED] Executive Vice-President/Chief Credit Officer, [REDACTED] – Witness
- [REDACTED] [REDACTED] Credit Analyst, [REDACTED] - Witness

In addition, TOIG reviewed pertinent documents, including:

- Report of Examination (ROE) of [REDACTED] Capital Bank
- Correspondence (emails) regarding the allegations
- [REDACTED] Ethics Training Certificate
- Federal Ethics Regulations

### Investigative Activity

In an interview with TOIG, [REDACTED] [REDACTED] [REDACTED] stated that he has been [REDACTED] supervisor since January 2014, and that [REDACTED] was working on the examination of [REDACTED] during the week of July 25, 2016. On July 28, 2016, [REDACTED] received an email from [REDACTED] advising him that [REDACTED] daughter, [REDACTED] [REDACTED] had accepted employment with [REDACTED] [REDACTED] stated that he emailed [REDACTED] back within two hours of receiving the notice and told [REDACTED] to cease any further review of [REDACTED]

[REDACTED] stated that he contacted [REDACTED] with the Office of Counsel in OCC's Dallas Office for advice and that he ordered a work paper review of the examination conducted of [REDACTED] [REDACTED] stated that [REDACTED] was the Examiner in Charge (EIC) and that normally he would have signed the Report of Examination (ROE), however, [REDACTED] Ring was the Associate in Charge and actually wrote the ROE under [REDACTED] [REDACTED] edited the ROE along with [REDACTED] [REDACTED] Analyst to the ADC. [REDACTED] stated that [REDACTED] reviewed the ROE and agreed with the findings, however, [REDACTED] did not draft the ROE or sign the final [REDACTED]

[REDACTED] actually signed the ROE as the EIC, and then [REDACTED] signed off on the [REDACTED] [REDACTED] stated that he had NBE [REDACTED] conduct the work paper review of [REDACTED] [REDACTED] had not been on the [REDACTED] examination and does not know [REDACTED] [REDACTED] stated that [REDACTED] was in charge of reviewing

This Report of Investigation is the property of the Office of Investigation, Treasury Office of the Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

Report of Investigation

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

Case # OCC-16-2551-I

Page 3 of 9

the credit loan area and the Loan Portfolio Management (LPM) for [REDACTED] [REDACTED] directed [REDACTED] to review every loan that the review covered at [REDACTED] [REDACTED] completed a line sheet review and reviewed the documents for each loan selected for review during the [REDACTED]

[REDACTED] stated that [REDACTED] reviewed each loan in the OCC in house data base called CAMELS (Capital Asset Quality Management Earnings Liquidity Sensitivity) to market risk (Interest Rates). [REDACTED] stated that [REDACTED] was a 2 rating (1 & 2 are good).

Prior to the [REDACTED] examination, the bank had already been selected for a District Senior Review Committee (DSRC) review of the [REDACTED] [REDACTED] stated that this is an additional layer of review that is done after the local review by the ADC. [REDACTED] stated that the DSRC was conducted immediately upon the completion of the San Antonio review process. [REDACTED] stated that [REDACTED] has been an NBE for approximately 37 years and has received ethics training yearly on what are violations and his duty to report any conflicts of interest during an [REDACTED] (Exhibit 2)

In an interview with TOIG, [REDACTED] [REDACTED] stated that her current position is Analyst to the Assistant Deputy Comptroller (ADC), [REDACTED] [REDACTED]. In this position she is part of the supervisory office review process. [REDACTED] was actually present during the exam of [REDACTED] and she was reviewing the Community Reinvestment Act (CRA) review of [REDACTED] [REDACTED] stated that during a CRA review, OCC will give the bank a rating based on their lending performance, how they are taking in deposits, who the bank loans money to and whether the recipients are low to moderate income individuals. [REDACTED] stated that OCC also reviews where the loans are going, meaning the physical location of the loans.

[REDACTED] stated that she reviewed the ROE that was completed on [REDACTED] and concurred with the findings in the [REDACTED] [REDACTED] stated that most of the ROE was already written prior to her review of the [REDACTED] [REDACTED] made some final edits to the ROE and [REDACTED] the ROE to ADC [REDACTED] for review. [REDACTED] stated that when the ROE was actually issued she was on approved leave and was unable to physically sign the report, so she reviewed the ROE electronically and affixed her signature electronically as well. (Exhibit 3)

In an interview with TOIG, [REDACTED] [REDACTED] [REDACTED] stated that he has been employed with OCC for the past 38 years. [REDACTED] stated that he currently supervises 2 banks for OCC, but recently recused himself from supervising [REDACTED]

[REDACTED] stated that he was the EIC on the [REDACTED] examination conducted by OCC from May 2, 2016 to May 19, 2016 which was the on-site examination work and continued to support the examination off-site from May 23, 2016 to July 18, 2016. [REDACTED] stated that he was supervising an Associate Examiner [REDACTED], who was actually conducting the examination and was responsible for writing the Report of Examination (ROE). [REDACTED] stated that he was in charge of reviewing the Loan Portfolio of [REDACTED]



[REDACTED] stated that during the week of May 9, 2016 to May 12, 2016, he spoke to [REDACTED] President [REDACTED]. [REDACTED] stated that they were just catching up and that they have known each other for over 5 years and have a business relationship only and have never socialized outside of the bank. [REDACTED] and [REDACTED] were talking about their families and [REDACTED] told [REDACTED] that his daughter [REDACTED] had just graduated from college with a degree in [REDACTED]. [REDACTED] stated that [REDACTED] mentioned that [REDACTED] had a current opening for an entry level Credit Analyst and that [REDACTED] should apply. [REDACTED] stated that he mentioned the position at [REDACTED] to his daughter on May 12, 2016. [REDACTED] stated that his daughter decided to apply for the position and sent her resume directly to [REDACTED] on May 17, 2016. [REDACTED] stated that he had a second conversation with [REDACTED] regarding where [REDACTED] should send her [REDACTED]. [REDACTED] stated that [REDACTED] instructed him to have [REDACTED] send her resume to [REDACTED] directly.

[REDACTED] stated that he conducted an exit interview with [REDACTED] on May 24, 2016, and that he and the examination team had already made their conclusions and findings regarding [REDACTED]. [REDACTED] stated that his daughter also had an interview with [REDACTED] Chief Credit Officer, [REDACTED] on May 24, 2016 at a different branch location of [REDACTED]. [REDACTED] stated that this was the only day that his daughter could do the interview since she was travelling overseas and departing on May 26 or 27, 2016.

[REDACTED] provided the following timeline of events:

May 9, 2016 – [REDACTED] has conversation with [REDACTED] President [REDACTED] about [REDACTED]  
May 12, 2016 – [REDACTED] tells daughter [REDACTED] about position at [REDACTED]  
May 17, 2016 – [REDACTED] applies to [REDACTED] for Analyst [REDACTED]  
May 24, 2016 – [REDACTED] conducts exit interview with [REDACTED]  
May 24, 2016 – [REDACTED] interviews at [REDACTED] with [REDACTED] (Actual date May 20, 2016)  
June 2, 2016 – [REDACTED] receives email job offer from [REDACTED]  
June 6, 2016 – [REDACTED] accepts job offer with [REDACTED] via email.  
June 13 – 20, 2016 – [REDACTED] continues off-site work for [REDACTED]  
June 15, 2016 – [REDACTED]'s daughter emails/ texts that she accepted position at [REDACTED]  
June 27, 2016 (week of) – [REDACTED] works 2 hours on [REDACTED] off-[REDACTED]  
July 4, 2016 (week of) - [REDACTED] works 2 hours on [REDACTED] off-[REDACTED]  
July 5, 2016 – [REDACTED] starts employment with [REDACTED]  
July 27, 2016 – [REDACTED] self-reports his daughter's employment to ADC [REDACTED]

When questioned by TOIG as to why [REDACTED] waited so long to report that his daughter was employed with [REDACTED], [REDACTED] replied that he had reviewed the ethics guidance on the OCC website that stated that he had 30 days to report to OCC management. [REDACTED] also did not want to leave the examination process before completing the examination because he felt it would have been disruptive to the examination process and he wanted to continue to mentor [REDACTED] on the [REDACTED]. [REDACTED] stated that in hindsight he should have reported the fact that his daughter applied for the position immediately upon learning of her applying with [REDACTED]. [REDACTED] stated that

Report of Investigation

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

Case # OCC-16-2551-I

Page 5 of 9

[REDACTED] and the rest of the OCC examination team were unaware that his daughter had applied or was offered a position with [REDACTED]. [REDACTED] stated that he did not solicit employment for his daughter with [REDACTED] and that [REDACTED] mentioned the position and asked that she apply. [REDACTED] stated that there was no quid pro quo between [REDACTED] and himself, nor did he alter any findings for [REDACTED] because they hired his daughter. (Exhibit 4)

In an interview with TOIG, [REDACTED] [REDACTED] stated that he recalls meeting with [REDACTED] during the OCC examination of [REDACTED]. [REDACTED] stated that he and [REDACTED] have a business relationship only and that they have known each other for years and do not socialize outside of the bank. [REDACTED] recalled that during the meeting he and [REDACTED] were talking about their families. [REDACTED] told [REDACTED] that his daughter [REDACTED] just graduated from college and was looking for employment. [REDACTED] stated that he asked [REDACTED] what his daughter's degree was in and [REDACTED] replied Financial Management.

[REDACTED] stated that he told [REDACTED] that [REDACTED] just had a Credit Analyst resign and that if [REDACTED] would be interested in applying for the [REDACTED]. [REDACTED] stated that [REDACTED] passed the information along to his daughter. [REDACTED] stated that he received an email from [REDACTED] [REDACTED] along with a copy of her [REDACTED]. [REDACTED] stated that he [REDACTED] the resume to [REDACTED] Chief Credit Officer, [REDACTED] who set up an interview with [REDACTED].

[REDACTED] stated that he never had any other conversation with [REDACTED] about his daughter applying for the position and [REDACTED] recalls that [REDACTED] told him to treat her [REDACTED] like any other candidate for the [REDACTED]. [REDACTED] stated that there was never any inducement for hiring [REDACTED] and no Quid Pro Quo from [REDACTED] regarding the OCC examination or findings. [REDACTED] stated that there were four applicants for the position of Credit Analyst with [REDACTED]. Two of the candidates were not qualified for the position, so it was between [REDACTED] and another candidate that had Bank Secrecy Act experience, however, he was not a local [REDACTED]. [REDACTED] stated that [REDACTED] interviewed during the last week of May 2016, around the same time the OCC examination was finishing up at [REDACTED].

[REDACTED] stated that [REDACTED] was the best qualified for the position and was offered the position sometime in June 2016, which she accepted and subsequently started her employment at [REDACTED] Branch on July 5, 2016. [REDACTED] stated that he did receive a call from [REDACTED] around the middle of July 2016, letting him know that there may be an issue with hiring his daughter at [REDACTED]. [REDACTED] stated that this call took place after [REDACTED] was hired but before the OCC report was issued. [REDACTED] stated that he would not have hired [REDACTED] if she was not qualified for the [REDACTED]. (Exhibit 5)

In an interview with TOIG, [REDACTED] [REDACTED] stated that [REDACTED] was interviewing candidates for a Credit Analyst and received an email from [REDACTED] President/CEO of [REDACTED] asking him to review the resume attached to the email. [REDACTED] stated that the resume belonged to [REDACTED]. [REDACTED] stated that he reviewed her resume and was impressed because she had a degree in Finance and had graduated Magna Cum [REDACTED]. [REDACTED] stated that there were three other candidates, however,



two of the other candidates were not qualified for the position and the third candidate had Bank Secrecy Act experience, but was not local to the area.

[REDACTED] stated that he interviewed [REDACTED] along with another [REDACTED] Credit Analyst, [REDACTED]. [REDACTED] stated that both he and [REDACTED] felt that [REDACTED] was the best qualified for the position. [REDACTED] stated that he asked for [REDACTED] input on making the selection, however, [REDACTED] stated that he made the selection of [REDACTED] for the position. [REDACTED] stated that [REDACTED] in [REDACTED] Human Resources contacted [REDACTED] with the job offer and she accepted the position and started with [REDACTED] on July 5, 2016.

[REDACTED] stated that he has known [REDACTED] for approximately ten years and only knows him from bank examinations and does not socialize outside of the bank with him. [REDACTED] knew that [REDACTED] was [REDACTED] daughter, but stated that she was the best qualified for the position. [REDACTED] stated that he never had any contact with [REDACTED] regarding the hiring of [REDACTED] at [REDACTED]. [REDACTED] does not believe any of the OCC team was aware that [REDACTED] had applied for a position with [REDACTED] (Exhibit 6)

In an interview with TOIG, [REDACTED] [REDACTED] stated that she recently graduated from college with a degree in Finance and was looking for a job and sending out resumes. [REDACTED] recalls in mid-May that her father [REDACTED] [REDACTED] informed her about a position at [REDACTED]. [REDACTED] stated that her father and the [REDACTED] President [REDACTED] were talking and that [REDACTED] had mentioned to her father that a Credit Analyst at [REDACTED] was looking to [REDACTED].

[REDACTED] stated that this seemed like a good entry level position for her and she filled out an on-line application and attached a resume and cover letter and emailed it to [REDACTED] [REDACTED] Operations manager and also sent a copy of the email and resume to [REDACTED] who [REDACTED] the email to [REDACTED] [REDACTED] Chief Credit Officer, [REDACTED]. [REDACTED] stated that she applied on May 17, 2016, and was interviewed for the position on May 20, 2016. [REDACTED] stated that the interview lasted approximately 1 ½ hours and took place at the [REDACTED] Branch of [REDACTED].

[REDACTED] stated that she departed for her trip overseas on May 23, 2016, and that while she was on her trip she received an email offer of employment from [REDACTED] on June 2, 2016. [REDACTED] stated that she accepted the job offer with [REDACTED] on June 6, 2016. [REDACTED] stated that she notified her father 5 or 6 days after she accepted the position via a text or email. [REDACTED] returned from her trip overseas on June 28, 2016 or June 29, 2016, and started her employment with [REDACTED] on July 5, 2016. [REDACTED] stated that she had no prior contact with [REDACTED] President [REDACTED] or [REDACTED] Credit Manager [REDACTED] prior to her interview for the position at [REDACTED]. [REDACTED] provide TOIG with copies of her emails to [REDACTED] President [REDACTED] and a screen shot from her cellular telephone with the dates of her job offer and acceptance with [REDACTED] (Exhibit 7)

Report of Investigation

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

Case # OCC-16-2551-I

Page 7 of 9

**Referrals**

NA

**Judicial Action**

NA

**Findings**

The investigation determined that the allegation is unsubstantiated for the misuse of [REDACTED]. [REDACTED] did not solicit a position for his daughter with [REDACTED] President [REDACTED]. [REDACTED] brought up the matter in conversation and recommended that [REDACTED] daughter apply for the position with [REDACTED]. [REDACTED] failed to report this conversation to OCC Superiors. The investigation determined that the allegation is substantiated that [REDACTED] violated 5 C.F.R. § 2635.502(a) which prohibits employees of the Executive Branch from participating in matters in which a member of the employee's household has a financial interest. [REDACTED] admitted to TOIG that he waited longer than he should have to notify his OCC Supervisor of this conflict because he wanted to continue to assist the Lead Examiner complete the OCC (ROE) and feared that by recusing himself, [REDACTED] would slow down the reporting process. [REDACTED] admits that he used poor judgement in waiting 30 days to notify OCC management about his daughter accepting a position with [REDACTED].

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. Employees shall not engage in criminal, infamous, dishonest, or notoriously disgraceful conduct, or any other conduct prejudicial to the Government
- 5 C.F.R. § 2635.502(a) - which prohibits employees of the Executive Branch from participating in matters in which a member of the employee's household has a financial interest if a reasonable person with knowledge of the relevant facts would question his impartiality in the matter.

**Distribution**

Tom Melo, Director, Enterprise Governance, OCC

Report of Investigation

Case Name: [REDACTED]

Case # OCC-16-2551-I

Page 8 of 9

Signatures

Case Agent:

[REDACTED]

1/27/17  
Date

Supervisor:

[REDACTED]  
Antony J. Scott |

2/13/17  
Date

**Exhibits**

1. Original Complaint from Tom Melo, dated August 10, 2016.
2. Memorandum of Activity of Interview of [REDACTED] [REDACTED] [REDACTED], dated November 22, 2016.
3. Memorandum of Activity of Interview of [REDACTED] [REDACTED] dated November 22, 2016.
4. Memorandum of Activity of Interview of [REDACTED] [REDACTED] [REDACTED] dated November 22, 2016.
5. Memorandum of Activity of Interview of [REDACTED] [REDACTED] dated November 22, 2016.
6. Memorandum of Activity of Interview of [REDACTED] [REDACTED] dated November 22, 2016.
7. Memorandum of Activity of Interview of [REDACTED] [REDACTED] dated November 23, 2016.

REPORT OF INVESTIGATION  
USM-15-1070-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]  
Supervisory IT Specialist  
United States Mint  
GS-2210-15

Case #: USM-15-1070-I

Case Type: Criminal  
Administrative X  
Civil

[REDACTED]  
Supervisory IT Specialist  
United States Mint  
GS-2210-14

Conducted by: [REDACTED]  
Special Agent

Approved by: Jerry S. Marshall  
Special Agent in Charge

Investigation Initiated: February 27, 2015

Investigation Completed: OCT 05 2015

Origin: United States Mint

Summary

The U.S. Department of the Treasury (Treasury), Office of Inspector General, Office of Investigations (TOIG), initiated an investigation based on allegations raised by United States Mint (USM) Chief Information Officer (CIO) [REDACTED] Buschor that [REDACTED] and [REDACTED] had conducted unauthorized searches of the USM Symantec Enterprise Vault (eVault) email archiving and retrieval system.

The investigation determined that the allegation was unsubstantiated. In the course of the investigation, TOIG performed digital forensic examinations of [REDACTED] and [REDACTED] USM-issued computers, analyzed eVault log files and interviewed current and former USM contractors and employees. No information was found to support the allegation during the investigation.

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

TOIG initiated an investigation based on allegations raised by USM CIO [REDACTED] [REDACTED] that [REDACTED] and [REDACTED] had conducted unauthorized searches of the eVault email archiving and retrieval system. (Exhibit 1)

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

- [REDACTED] CIO, USM
- [REDACTED] Chief Administrative Officer (CAO), USM
- [REDACTED] Chief, Information Security Operations Branch, USM
- [REDACTED] Field Manager, Denver Infrastructure and Operations, USM
- [REDACTED] Division Chief, Infrastructure and Operations, USM
- [REDACTED] Branch Chief, Data Center Branch, USM
- [REDACTED] Counterintelligence Officer, Department of the Treasury
- [REDACTED] Vice President, [REDACTED] Security
- [REDACTED] Forensic Analyst, National Security Agency (formerly [REDACTED] Security)
- [REDACTED] Forensic Analyst, [REDACTED] Security
- [REDACTED] Principal Cyber Security Analyst, [REDACTED]
- [REDACTED] Information Technology (IT) contractor, formerly [REDACTED]
- [REDACTED] IT contractor, formerly [REDACTED]
- [REDACTED] IT contractor, [REDACTED]

In addition, TOIG reviewed pertinent evidence, including:

- Dell Latitude E4310 assigned to [REDACTED] [REDACTED]
- Dell Latitude E6220 assigned to [REDACTED] [REDACTED]
- eVault Server Event Logs
- eVault Application Log
- USM Counsel Searches

### **Investigative Activity**

In a meeting with TOIG, [REDACTED], [REDACTED] USM Police Chief [REDACTED], USM Police Inspector [REDACTED], and USM Technical Advisor to the Office of CIO [REDACTED] presented the findings of a USM internal investigation regarding unauthorized access to email and access control issues. (Exhibit 2)

In an interview with TOIG, [REDACTED] recalled that during a staff meeting that she jokingly said that someone had probably sent an email about her to the Information Technology Department (ITD) and that [REDACTED] told her that he could find out for her. [REDACTED] thought it was just

banter and didn't think anything more about it until she was approached by [REDACTED] who was concerned that people within the USM appeared to have knowledge about events at the USM that were generally considered to be private. [REDACTED] felt that too many people had access to the eVault system and wanted to implement an annual review of access to USM systems and to put the USM email in the cloud. [REDACTED] stated that she received push back from her staff when she tried to implement these changes.

[REDACTED] stated that she was approached by [REDACTED] who was concerned that an individual was in possession of an email from the USM Legal Counsel to her regarding an Equal Employment Opportunity (EEO) case she was working on. [REDACTED] had the event logger turned on for [REDACTED] email, however, the logger showed no activity. [REDACTED] stated that she had this done quietly and did not want her team to know. [REDACTED] stated that the contractors she asked to perform this task had to get permission from [REDACTED] and [REDACTED] prior to turning on the logger.

[REDACTED] stated that she discovered that a [REDACTED] ( [REDACTED] contractor, [REDACTED], had turned off the event logger for [REDACTED] and [REDACTED] at their request for any work they were doing on the system.

[REDACTED] stated that after seven months her review proved nothing. Buschor stated that during a quarterly meeting with the field managers on December 8, 2014, [REDACTED] approached her and told her that he was frustrated with [REDACTED] management style and that he knew [REDACTED] was accessing emails through eVault.

Buschor stated that she felt she was being undermined by [REDACTED] and her Deputy CIO [REDACTED]. [REDACTED] was sending emails to [REDACTED] complaining that [REDACTED] was incompetent and [REDACTED] was approving software purchases for the Human Resources Department without her knowledge or approval. [REDACTED] also learned that [REDACTED] and [REDACTED] had a personal relationship that she was not aware of. [REDACTED] stated that she did not know who she could trust within the organization so she met with USM Legal Counsel [REDACTED] and outlined a plan to conduct a management investigation to gather facts and data and turn this information over to TOIG upon completion. [REDACTED] stated that she employed contractors from [REDACTED] Security and [REDACTED] to perform the investigation. Both [REDACTED] and [REDACTED] set up anonymous accounts to browse the emails and quickly discovered that the auditing capability on eVault had been turned off over two years prior to the exam. [REDACTED] stated that [REDACTED] would not do anything without being told and believes one of the contractors told [REDACTED] or [REDACTED] about the audit.

[REDACTED] stated her biggest concern was the vulnerability to the USM systems and she was trying to plug the holes in the system and hold people accountable for unauthorized access of the system. [REDACTED] felt that after the contractors asked for permission; the word was out that she was looking at everyone in ITD's access to the eVault system. [REDACTED] stated that she locked down eVault and directed that all requests come through her for access. [REDACTED] stated



that after the lockdown and [REDACTED] and [REDACTED] were walked out of the building, no more activity showed up on the eVault logger. (Exhibit 3)

In an interview with TOIG, [REDACTED] stated that she was concerned that from July through December 2014, her USM-issued Blackberry was being remotely accessed. [REDACTED] stated that during this time period, she would occasionally observe the cursor of her Blackberry moving independently and that it appeared that searches were being run on the email client of her Blackberry. [REDACTED] did not provide a reason why this matter was not reported to TOIG when she first discovered the anomalous behavior.

[REDACTED] further recalled that when she was required to answer EEO Declarations some of the questions posed in the Declarations appeared to be based on information not widely known within the USM. [REDACTED] also referenced something called the "Pink Envelopes," which was a series of anonymous allegations that were slipped under the doors of senior USM management (in pink envelopes) alleging [REDACTED] misconduct that was, in [REDACTED] opinion, based on information that should not be widely known within the USM. One such allegation was that [REDACTED], a subordinate of [REDACTED] had been manipulating the USM time keeping system, an allegation that [REDACTED] said could only have come through unauthorized access to USM systems and applications. (Exhibit 4)

In an interview with TOIG, [REDACTED] stated that he received second hand information from [REDACTED] approximately three years ago that [REDACTED] had been approached on an [REDACTED] daily basis to provide [REDACTED] with emails or be walked out of the building. [REDACTED] stated that he approached [REDACTED] regarding this and asked him to come forward, however, [REDACTED] denied any knowledge about this matter. [REDACTED] stated that both [REDACTED] and [REDACTED] left the USM about three years ago.

[REDACTED] said he was not sure if [REDACTED] knew how to access eVault, but suggested that he would direct contractors such as [REDACTED] and [REDACTED] to do that. [REDACTED] thought it was strange that [REDACTED] always knew more than anyone else about what was happening at the USM. [REDACTED] stated that he had a conversation with [REDACTED] relating to the fact that [REDACTED] was "pissed off" because [REDACTED] was sending emails directly to [REDACTED] without vetting them through [REDACTED] first. [REDACTED] thought this was odd because he did not feel that [REDACTED] would share his emails with [REDACTED]. [REDACTED] stated that he spoke to [REDACTED] regarding [REDACTED] having access to the USM emails, but did not send her any emails about his suspicions, nor did he speak to anyone else regarding this issue.

[REDACTED] was asked if it was possible to do an eVault search from any USM location. [REDACTED] stated that as long as you had access to the USM network and the correct privileges you could and stated that in the past he has conducted a search for the USM legal team from Denver. [REDACTED] stated that [REDACTED] had access to eVault. [REDACTED] stated that the USM legal team later requested that email searches be completed by Treasury employees. (Exhibit 5)

Report of Investigation

Case Name: [REDACTED] and [REDACTED]

Case # USM15-1070-I

Page 5 of 13

In an interview with TOIG, [REDACTED] stated that as the designated Point of Contact for TOIG, he would funnel all e-mail requests through [REDACTED] who knew how to use the eVault system, [REDACTED] said that [REDACTED] contractors [REDACTED] and [REDACTED] were also very familiar with the eVault system. In this capacity, [REDACTED] would have had knowledge of [REDACTED] every TOIG investigation that required a USM employee's email. In order to use eVault, a user would have to authenticate to the system. However, [REDACTED] advised that it was possible for individuals with the domain administrator credentials to log on to the eVault system as domain service accounts, such as SCCM\_admin, etc. (Exhibit 6)

In an interview with TOIG, [REDACTED] stated that he was contacted by the [REDACTED] Program Manager [REDACTED], who assigned him to provide digital forensic consultation services to a USM internal investigation. The USM POC was USM Technical Advisor to the CIO, [REDACTED]. The targets of the investigation were [REDACTED] and [REDACTED]

[REDACTED] concentrated his analysis on [REDACTED] whom he referred to as the "GS-15." The analysis was conducted using AccessData's Forensic Toolkit 2.0 on a forensic image of the hard drive installed in [REDACTED] USM-issued laptop. [REDACTED] analysis focused on suspicious programs, user accounts and activity. The findings included the identification of programs not on the USM-approved list, more than the usual number of user accounts with administrator rights and emails that were not addressed to, sent to or that [REDACTED] was copied on. [REDACTED] did not prepare a formal written report, rather he verbally briefed USM Deputy Director [REDACTED], [REDACTED] [REDACTED] and [REDACTED]. (Exhibit 7)

In an interview with TOIG, [REDACTED] reported that in December of 2014, USM CISO Harding, requested that [REDACTED] Security perform a forensic investigation based on [REDACTED] belief that USM email had been compromised by [REDACTED] and [REDACTED]. [REDACTED] was not asked to investigate any other USM employee. The investigation was covered under [REDACTED] current contract and statement of work with USM.

[REDACTED] analyzed [REDACTED] and [REDACTED] USM-issued laptops. [REDACTED] stated that due to the lack of logging on the Exchange and eVault servers, [REDACTED] was unable to issue any findings regarding email or eVault extractions. In late December 2014 or early January 2015, [REDACTED] informed [REDACTED] that logging for eVault had been turned off, but that he (Gioeli) had re-enabled it. [REDACTED] was also conducting a parallel investigation that focused reviewing the use of USM domain accounts to log into servers. [REDACTED] employees [REDACTED] and [REDACTED] conducted the forensic investigation and [REDACTED] provided TOIG with a copy of the [REDACTED] forensic report. [REDACTED] stated that he provided this report to [REDACTED] on February 17, 2015. (Exhibit 8)

In an interview with TOIG, [REDACTED] advised that in early December 2014, he was tasked to support an investigation to find any evidence to link [REDACTED] to unauthorized eVault access. When [REDACTED] pressed for more information on the allegation, he was not provided any answers, nor was he provided date ranges or key words for his forensic exam. [REDACTED] acquired a forensic image of [REDACTED] USM-issued laptop and analyzed it using Encase. The analysis did not

This Report of Investigation is the property of the Office of Investigations, Treasury Office of Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.



uncover evidence supporting the allegation. Upon reporting his findings, [REDACTED] was informed by [REDACTED] that they knew that [REDACTED] was either logging into the exchange server or eVault and reading the emails there and was likely storing them somewhere not on his host. Based on this information, [REDACTED] started to investigate the file share for [REDACTED] and an expanded target list to include [REDACTED] and multiple other Information Technology Division (ITD) personnel who may have had access to Exchange or eVault. Examination of evidence obtained from file server for the expanded target list did not uncover anything to support the allegation. (Exhibit 9)

In an interview with TOIG, [REDACTED] stated the he was instructed to perform a forensic analysis on a forensic image of the Solid State Disk (SSD) installed in [REDACTED] USM-issued laptop to locate evidence of unauthorized access to USM email. [REDACTED] was provided the following search terms:

[REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED] and Evault, Evault\_service, Besadmin, Gdlewadmin, Exgsvc, Usmadmin, Hqsevem, Hqsevda01. His analysis did not locate any relevant information. He was later provided two additional terms (Treasury-ig-don & [REDACTED]) by [REDACTED] which led to search hits pertaining to PST files in C:\email\u1 and to files with the same names on a mapped drive with the drive letter H:\. [REDACTED] findings in the report state the user [REDACTED] had knowledge and access to the Symantec Enterprise Vault Discovery Accelerator tool and that five Microsoft email Personal Storage Technology (PST) files containing email not addressed, sent, copied, etc to the user [REDACTED] were located in the C:\email\u1 directory. In addition, the user [REDACTED] accessed files with the same names on a mapped drive with the drive letter H:\. (Exhibit 10)

TOIG searched the TOIG case management database without result for any reference to the two unusually specific search terms (Treasury-ig-don & [REDACTED]) provided by [REDACTED]. TOIG then contacted USM Police Inspector [REDACTED] who stated that a [REDACTED] once worked for the USM and was the subject of a counterintelligence inquiry. Treasury Counterintelligence Officer [REDACTED] confirmed a request that USM pull [REDACTED] email pursuant to an inquiry. (Exhibit 11)

In an interview with TOIG, [REDACTED] confirmed that he worked at the USM from approximately December 2009 through April 2013, and performed a number of IT tasks, to include installing and administering the USM's eVault, an email preservation and retrieval system. [REDACTED] explained that the eVault system contained USM current and historical email (restored from backup tapes) and was searched using the eVault Discovery Accelerator tool. To use Discovery Accelerator, an individual had to have the appropriate domain user privileges, such as being a domain administrator. Searches were logged within the eVault application. When asked how the log files could have "null" values in them, [REDACTED] stated that he wasn't sure, but that it was possible that the "null" values were generated by searches that were improperly run. [REDACTED] described the eVault search process as iterative, in that he would receive search parameters, run the search, and export the results in PST format to the search requester. [REDACTED] explained that when he was at the USM, search requesters (usually USM attorneys) would file a Help Desk ticket requesting a search. That ticket would be approved by a government employee in the ITD, [REDACTED] would run the search and supply the results to the

Report of Investigation

Case Name: [REDACTED] and [REDACTED]

Case # USM15-1070-I

Page 7 of 13

requester. [REDACTED] did not recall any informal process to request searches. [REDACTED] could only recall one instance where the USM Police requested a search of the eVault during his tenure.

[REDACTED] worked for [REDACTED] and described him as being very unpleasant to work for, but extremely ethical. [REDACTED] also worked for [REDACTED] and described him as a technical professional. [REDACTED] stated that neither [REDACTED] nor [REDACTED] requested that he perform any searches of the eVault system that were not related to the aforementioned process.

[REDACTED] recalled that a government employee [REDACTED] had access to the eVault system as well as a contractor named [REDACTED] and another contractor named [REDACTED] whose last name he could not recall. [REDACTED] did not think that [REDACTED] knew how to run searches on eVault though. [REDACTED] did not think that [REDACTED] or [REDACTED] had domain administrator privileges while he was at the USM. (Exhibit 12)

In an interview with TOIG, [REDACTED] stated that he started with the USM in October 2008, and by the time he left the USM in 2012, he was the Infrastructure Manager. He helped to deploy eVault, but the main architect of the eVault program was [REDACTED]. [REDACTED] stated that he had the ability to run eVault searches but was a backup behind [REDACTED] and Dominique Respass and that he never ran a search on eVault.

[REDACTED] stated that there were a limited number of individuals with access to eVault and that no searches were conducted without a work ticket or email authorization from [REDACTED] which then had to be approved by the CIO. [REDACTED] had no knowledge that [REDACTED] ordered [REDACTED] to provide him with emails or be walked out of the building. [REDACTED] stated that [REDACTED] was probably ordered to provide emails to [REDACTED] but only after the correct process was followed for requesting such actions.

[REDACTED] was asked if he had any firsthand knowledge of [REDACTED] accessing eVault personally and replied that he wasn't sure if [REDACTED] knew how to do that. Qader stated that if he had become aware of any such abuse he would have reported it to his supervisor or Contracting Officer Representative. (Exhibit 13)

TOIG conducted a forensic analysis of [REDACTED] USM-issued laptop examined files, deleted files, file system metadata, file system logs, application logs, and email with regard to the allegation that [REDACTED] accessed USM email eVault without authorization. The examination identified the installation and use of the Symantec Enterprise Vault Discovery Accelerator, which is the program used to conduct queries on eVault. Five PST files for USM employee [REDACTED] on the hard drive and references to PST files on a shared drive associated with former USM employee [REDACTED] were located. The installation of the network protocol analyzer Wireshark was also located. No files or artifacts supporting the allegation were located during the analysis.

A query of the TOIG IMIS system identified [REDACTED] as the subject of a TOIG investigation and the case agent confirmed that [REDACTED]'s email was requested from USM. Office of

This Report of Investigation is the property of the Office of Investigations, Treasury Office of Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

Counterintelligence Intelligence Officer [REDACTED] confirmed that [REDACTED] was the subject of an OCI inquiry and that OCI had requested that USM search their email repository for [REDACTED]'s email. Wireshark is an industry standard network protocol analyzer that is listed on the USM IT Standards Profile List as approved for installation on ITD computers. (Exhibit 14)

TOIG's forensic analysis of [REDACTED] USM-issued laptop examined files, deleted files, file system metadata, file system logs, application logs, and email with regard to the allegation that [REDACTED] accessed USM email in the eVault application without authorization. With the exception of the artifacts discussed below; no artifacts potentially supporting the allegation were located.

TOIG located Windows shortcut files in the directory that referenced files and directories relating to former USM employee [REDACTED] on a remote directory which was mapped to the H:\ drive on the computer.

NOTE: The existence of the shortcut files only shows that files and directories were accessed on the remote directory. Without additional information to provide context no further conclusions can be drawn. It should be noted that [REDACTED] was the subject of legitimate eVault eDiscovery searches and the [REDACTED] was [REDACTED]'s supervisor. (Exhibit 15)

The USM Office of Counsel provided TOIG with a list of the cases and searches requested by that office. (Exhibit 16)

TOIG reviewed the Security, Application, Symantec Enterprise Vault and Symantec Enterprise Vault Converter event logs for the eVault computers: HQWSEVDA01, HQWSEVMA01 and HQWSEVMJ01. No relevant log entries pertaining were contained in them. (Exhibit 17)

TOIG parsed the log files pertaining to the execution of searches on eVault and identified the following relevant facts:

- 1) The logs report 72 cases and 461 discrete searches.
- 2) The most prolific user conducting searches on eVault was [REDACTED] followed in frequency by former [REDACTED] contractor [REDACTED] and current [REDACTED] contractor [REDACTED].
- 3) Some searches were conducted to test system functionality.
- 4) All searches made by USM HQ Data Center Branch Chief [REDACTED] were verified as being in support of legitimate investigations.
- 5) No searches were conducted by [REDACTED].



Report of Investigation

Case Name: [REDACTED] and [REDACTED]

Case # USM15-1070-I

Page 9 of 13

- 6) The following USM Help Desk Tickets were referenced in the logs: 14014, 14865, 14891, 15092, 15445, 18790, 21421, 22854, 25050, 27721, 51496, 34772, 39611, 43383, 43464, 42999, 48554.
- 7) The following USM High Priority (HEAT) Tickets were referenced in the logs: 416176, 416632, 419330, 414780.

TOIG evaluated the eVault search criteria and the dates of the searches against the information contained in the USM Help Desk and HEAT tickets, the search requests from the USM Office of Counsel and case/subject data in the TOIG IMIS database. The analysis concluded that the searches documented in the supplied eVault logs were for legitimate purposes. (Exhibit 18)

In an interview with TOIG, [REDACTED] explained how the USM archived and searched electronic communications using eVault which was installed by [REDACTED]. Email contained in eVault was searched using a program called Discovery Accelerator. Employees with authorization and access to search eVault for email other than their own were [REDACTED] possibly some attorneys in the USM Office of Counsel [REDACTED] einman and/or [REDACTED] and contractors [REDACTED], [REDACTED], [REDACTED], [REDACTED] and [REDACTED].

[REDACTED] recollection was that the USM may have had a policy governing requesting and authorizing email searches but that the actual practice was more informal. For searches that were for non-[REDACTED] eDiscovery or Freedom of Information Act (FOIA) requests, a ticket would be submitted to the USM Help Desk which would then be approved by [REDACTED] and assigned to a contractor to run, with the results being returned to the requestor. For search requests that involved high ranking USM personnel or potentially sensitive matters, email was used to request the search. However [REDACTED] was still the approving authority. For TOIG investigations, the requests came via email either through USM Police Inspector [REDACTED] or [REDACTED] to [REDACTED] who then performed the search and supplied the results back to [REDACTED].

[REDACTED] was asked to explain why PST files containing USM employee [REDACTED] were found on his USM-issued laptop's hard drive and he explained that while performing an email search for a TOIG investigation, he was running out of disk space on the Evault server and transferred some of the results back to his laptop to save space.

[AGENT NOTE: The search for [REDACTED]'s email was in response to a TOIG investigation.]

When asked why there would be evidence pointing to PSTs containing former USM employee [REDACTED]'s email on [REDACTED] network share, [REDACTED] explained that he had performed a search for [REDACTED]'s email at the request of TOIG.

[AGENT NOTE: The request was actually for the Office of Counterintelligence, but was a requested search pursuant to an investigation.]

This Report of Investigation is the property of the Office of Investigations, Treasury Office of Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.

The only other searches [REDACTED] could recall were a search for the term "panther cub" for a USM internal investigation, searches for [REDACTED] [REDACTED] and [REDACTED] email and a search for [REDACTED] [REDACTED]'s email. [REDACTED] stated these searches were all in response to search requests.

[AGENT NOTE: The searches for [REDACTED] [REDACTED]'s and [REDACTED]'s email were in response to TOIG investigative requests.]

[REDACTED] emphatically denied performing any unauthorized eVault searches and was unaware of anyone conducting unauthorized searches.

[REDACTED] admitted that he factory reset his USM-issued iPhone 5s because there were pictures of his children and his wife feeding their newborn and he did not believe they were relevant and furthermore any communications (texts, email, etc) would be available from the USM or the USM's mobile phone service provider. [REDACTED] also stated that since the iPhone 5s was a test bed he frequently wiped it and was allowed to be used for personal use.

TOIG asked if [REDACTED] could explain how [REDACTED] may have known that [REDACTED] was directly emailing [REDACTED]. [REDACTED] replied that as far as he knew it came out in meetings and that [REDACTED] may have told [REDACTED]

[REDACTED] stated that he had no knowledge of [REDACTED] ordering contractors to perform unauthorized searches of the eVault. (Exhibit 19)

In an interview with TOIG, [REDACTED] explained that in 2011, the USM utilized eVault to archive and search USM email. Email prior to 2011 was eventually imported into eVault. The eVault architecture enabled the USM to more efficiently search email. [REDACTED] stated that he did not have personal access to eVault and the only time he may have accessed the system was to conduct training in 2011 or 2012.

Requests to search eVault usually came from USM lawyers, Treasury lawyers, USM Police or TOIG. Search categories were broadly described as FOIA Requests, EEO inquiries, eDiscovery, and investigations. TOIG showed [REDACTED] Chapter 9 - Information Technology - Automated Electronic Mail Archiving Program - of USM Directive 9C-15 dated July 2012. [REDACTED] remarked that he wrote that policy, but that soon after it was implemented, the pace and timeliness requirements of eVault requests exposed its overly cumbersome/bureaucratic nature. The policy made it nearly impossible to respond to eVault search requests in a timely manner. When the USM automated Help Desk ticket system was implemented, the process of requesting and documenting eVault search requests evolved. The evolved process started with a verbal or email communication to [REDACTED] requesting a search. [REDACTED] would then direct a contractor to open a Help Desk ticket. [REDACTED] would approve the ticket, the search would be conducted and the results provided to [REDACTED] on CD/DVD for transmittal to the requesting party. For

This Report of Investigation is the property of the Office of Investigations, Treasury Office of Inspector General. It contains sensitive law enforcement information and its contents may not be reproduced without written permission in accordance with 5 U.S.C. § 552. This report is FOR OFFICIAL USE ONLY and its disclosure to unauthorized persons is prohibited.



Report of Investigation

Case Name: [REDACTED] and [REDACTED]

Case # USM15-1070-I

Page 11 of 13

non-sensitive searches, such as FOIA requests, the search terms were included on the Help Desk tickets, for more sensitive searches (EEO, investigations) the Help Desk ticket would not contain search queries. [REDACTED] remarked that the Help Desk ticket system did not have method to allow the CIO to approve tickets, his position was the highest approval level.

TOIG asked [REDACTED] why he had files and directories pertaining to former USM employee Giorgianni on his H:\ drive (network drive). [REDACTED] explained that he was [REDACTED]'s supervisor and that she had filed an EEO complaint against him for not promoting her. [REDACTED] stated that any files pertaining to her that he possessed were for record retention/continuity and/or related to information needed for the EEO complaint.

[REDACTED] stated that he never requested or directed any unauthorized eVault searches nor did he log on to eVault using his or anyone else's credentials to conduct unauthorized searches.

[REDACTED] stated that the only time he viewed the results of searches was if the recipient came to him with a problem regarding the CD/DVD or if the results were not what the requestor expected. (Exhibit 20)

Referrals

N/A

Judicial Action

N/A

Findings

The investigation determined that the allegation was unsubstantiated. In the course of the investigation, TOIG performed digital forensic examinations of [REDACTED] and [REDACTED] USM-issued computers, analyzed eVault log files and interviewed current and former USM contractors and employees. No information was found to support the allegation during the investigation.

Based on the findings of our investigation, it appears the following pertinent policy was not followed by anyone in ITD or the USM Office of Counsel.

- Chapter 9, Automated Electronic Mail Archiving Program of USM Directive MD 9C-15, dated July 2012 as it relates to the usage of USM Form 2247 – E-Vault Access Request Form was not followed by anyone in ITD or the USM Office of Counsel.

Report of Investigation

Case Name: [REDACTED] and [REDACTED]

Case # USM15-1070-I

Page 12 of 13

[**AGENT NOTE:** Although, the policy was not followed, there was a system of accountability in place through the use of email and ITD Help Desk tickets and internal eVault logs. It should be noted that a review of the eVault search logs against the Help Desk tickets and consulting with the USM Office of Counsel and Police prior to hiring contractors to perform a forensic investigation and contacting TOIG would have been a more prudent.]

**Distribution**

Dennis O'Connor, Chief, USM Police

**Signatures**

Case Agent:

Signature [REDACTED]

Date 9/16/15

Supervisor:

Signature [REDACTED]  
Jerry S. Marshall

Date 20 SEP 2015

**Exhibits**

1. Lead Initiation Document, dated February 18, 2015.
2. Memorandum of Activity, Initial Meeting with USM, dated March 30, 2015.
3. Memorandum of Activity, Interview of [REDACTED] [REDACTED], dated March 30, 2015.
4. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated May 6, 2015.
5. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated May 5, 2015.
6. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated April 8, 2015.
7. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated May 6, 2015.
8. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated April 23, 2015.
9. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated April 30, 2015.
10. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated April 23, 2015.
11. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated May 1, 2015.
12. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated June 17, 2015.
13. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated June 17, 2015.
14. Memorandum of Activity, Digital Forensic Examination, dated May 21, 2015.
15. Memorandum of Activity, Digital Forensic Examination, dated July 15, 2015.
16. Memorandum of Activity, USM Counsel eVault Cases, dated July 24, 2015.
17. Memorandum of Activity, Event Log Review, dated July 2, 2015.
18. Memorandum of Activity, eVault Log Review, dated July 15, 2015.
19. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated May 28, 2015.
20. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated July 20, 2015.



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



## Report of Investigation

**Case Title:** [REDACTED]  
Supervisory Police Officer  
United States Mint (USM)  
TR9/Step 10

**Investigation Initiated:** March 13, 2017

**Investigation Completed:** OCT - 6 2017

**Origin:** Dennis P. O'Connor, Chief  
United States Mint Police

**Case #:** USM-17-0826-I

**Case Type:** Criminal  
Administrative ☒  
Civil

**Conducted by:** [REDACTED]  
Investigator

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

### Summary

On March 3, 2017, the Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), received a complaint from a Confidential Source (CS #1) alleging that United States Mint (USM) employee [REDACTED] abused his authority and gave preferential treatment to a subordinate USM employee, [REDACTED] (Exhibit 1)

The investigation determined that the allegation was unsubstantiated. TOIG interviews with all related employees unsubstantiated that [REDACTED] abused his authority or gave preferential treatment to any USM employee.



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

On March 3, 2017, TOIG received information from a CS #1 alleging that USM employee [REDACTED] Field Chief, USM San Francisco, CA, had abused his authority and gave preferential treatment to a subordinate USM employee. (Exhibit 1)

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

- [REDACTED] Supervisory Police Officer, USM – Witness
- [REDACTED] Supervisory Police Officer, USM – Witness
- [REDACTED] Supervisory Police Officer, USM – Witness
- [REDACTED] Supervisory Police Officer, USM – Subject
- [REDACTED] Supervisory Police Officer, USM – Witness
- Confidential Source # 1 -Witness

In addition, TOIG reviewed pertinent documents, including:

- NA

### **Investigative Activity**

In an interview with TOIG, CS #1 stated that [REDACTED] is never on post or he leaves early and does not show up when he is scheduled to be the on duty Supervisor. CS #1 stated that he/she is unaware if [REDACTED] has been granted leave, but has just observed that [REDACTED] is never present when scheduled. CS #1 states that [REDACTED] stays a couple of hours on shift and then leaves, or if Chief [REDACTED] is in the building, [REDACTED] follows him around and is not wearing the proper gear for being on duty. CS #1 stated that if Sergeant [REDACTED] is working, then [REDACTED] will take off for military leave.

CS #1 stated that he/she has observed Chief [REDACTED] come in on Sundays and meet with [REDACTED]. CS #1 stated that [REDACTED] was disciplined a couple of years ago by [REDACTED] for not supervising a subordinate that was on medication. CS #1 stated that [REDACTED] is back in [REDACTED] good graces now and that it has been a "honeymoon" ever since and that [REDACTED] was recently promoted to Administrative Sergeant. CS #1 stated that [REDACTED] was a supervisor, however, he was never around to supervise anyone. CS #1 stated that [REDACTED] does not supervise anybody as the Administrative Sergeant and that the Administrative position used to be a civilian position, but recently it has been filled by a Sergeant. CS #1 stated that he/she (CS #1) is unhappy with how things are done at the USM and that he/she admits to telling other officers that he/she filed a complaint with TOIG. (Exhibit 2)



In an interview with TOIG, [REDACTED] stated that he is the "Swing Shift" supervisor which covers 1:00 P.M. to 10:00 P.M. [REDACTED] stated that he has heard rumors that Sergeant [REDACTED] is often times not showing up for his shift or leaves shift early, but [REDACTED] did not witness anything other than [REDACTED] being off when [REDACTED] was present as shift supervisor. [REDACTED] stated that TOIG should speak with Lieutenant (Lt) [REDACTED] supervisor for additional information as to why [REDACTED] was not at work.

[REDACTED] stated that [REDACTED] is currently the Administrative Sergeant and has been in that position since April 2017. [REDACTED] stated that he does not recall any job announcement for the Administrative Sergeant Position being posted. [REDACTED] stated that the Administrative Sergeant takes care of all of the scheduling, logs and paperwork that is generated by the officers.

[REDACTED] stated that [REDACTED] is a military reservist and serves two weeks a year and one weekend a month on duty. [REDACTED] stated that [REDACTED] and [REDACTED] live near each other near Fairfield, CA. and have commuted into the office together in the past. [REDACTED] stated that [REDACTED] belongs to a van pool and receives a subsidy and that he is only permitted to drive in a limited number of times. (Exhibit 3)

In an interview with TOIG, [REDACTED] stated that he ([REDACTED] is the "Midnight Shift" supervisor which covers 10:00 P.M. to 7:00 A.M. [REDACTED] stated that he did not witness anything regarding [REDACTED] since they always worked opposite shifts. [REDACTED] stated that Lt. [REDACTED] supervisor would approve all of [REDACTED] leave, however, the Chief could approve leave as well. [REDACTED] stated that [REDACTED] is currently the Administrative Sergeant and that the Administrative Sergeant position was discussed in a managers meeting and that nobody volunteered for the position, and that there had not been any job announcement for the position being posted. [REDACTED] stated that it was announced in a meeting that Sergeant [REDACTED], the Administrative Sergeant at that time, was taking over as the training Sergeant and that [REDACTED] would take over as the Administrative Sergeant

[REDACTED] stated that [REDACTED] and [REDACTED] live near each other and appear to be friends and socialize outside of work. [REDACTED] was not certain whether [REDACTED] received preferential treatment in his selection as Administrative Sergeant (Exhibit 4)

In an interview with TOIG, [REDACTED] stated that he is the "Swing Shift" supervisor which covers 1:00 P.M. to 10:30 P.M. [REDACTED] stated that he was called by Chief [REDACTED] regarding [REDACTED] being needed for special projects and [REDACTED] needed [REDACTED] to meet with him to complete the Federal Viewpoint Survey (FVS). [REDACTED] stated that the USM officers will not volunteer for anything and that [REDACTED] stays involved in many projects at the USM. [REDACTED] stated that [REDACTED] volunteered for the Honor Guard when Sergeant [REDACTED] passed away and that [REDACTED] is also a firearms and defensive tactics instructor.

Report of Investigation

Case Name: [REDACTED]

Case # USM-17-0826-I

Page 4 of 8

[REDACTED] stated that [REDACTED] would call him and request military leave. [REDACTED] stated that [REDACTED] is a Load Master in the Air Force Reserves at Travis Air Force Base and that [REDACTED] was working on his getting his flying time and Load Master certification. [REDACTED] stated that [REDACTED] would often take the last hour of the shift off which [REDACTED] approved as long as manpower needs were met. [REDACTED] stated that [REDACTED] was given "59 minutes" for good performance, etc.

[REDACTED] stated that [REDACTED] has a good working relationship with Chief [REDACTED] and although he carpools with others in the vanpool, [REDACTED] has commuted in with [REDACTED] and Inspector [REDACTED] on occasions when they were working irregular hours. [REDACTED] stated that to the other USM officers there could be an appearance of favoritism towards [REDACTED] by [REDACTED] however, the officers do not know all of the circumstances. [REDACTED] stated that [REDACTED] was also dealing with some family and health issues that were all excused absences and that the other USM officers were not aware of the issues due to privacy concerns for [REDACTED] (Exhibit 5)

In an interview with TOIG, [REDACTED] stated that he ([REDACTED] is currently the Administrative Sergeant and that in the past he was tasked by Chief [REDACTED] to work on the FVS. [REDACTED] stated that he is also a firearms instructor and a defensive tactics instructor and he would often times have to [REDACTED] his shift to complete these duties for the USM Police Department. [REDACTED] stated that he would often times be given "59 minutes" by the Chief and would leave early or he would take an hours leave in order to catch the van pool leaving the USM. [REDACTED] stated that the 59 minutes was not recorded as leave. [REDACTED] stated that he would often times spend two-three hours working in operations on the FVS depending if he needed input from the Chief or not.

[REDACTED] stated that Lt. [REDACTED] his supervisor, would approve all of his leave, however, the Chief would often times approve his leave as well if [REDACTED] was not available. [REDACTED] stated that as long as the shifts were covered then Chief [REDACTED] did not have a problem with any one taking leave. [REDACTED] stated that Chief [REDACTED] granted him leave to deal with some marital issues he was going through as well as dealing with his mother's illness. [REDACTED] stated that he belongs to a van pool and is authorized to drive into work four days a month. [REDACTED] stated that he lives near Chief [REDACTED] and Inspector [REDACTED]. [REDACTED] stated that he has ridden into work with [REDACTED] and [REDACTED] on one occasion for a meeting which required them to work irregular hours. [REDACTED] stated that he and [REDACTED] have socialized as neighbors on a few occasions. [REDACTED] stated that he did not know [REDACTED] prior to his employment with the USM.

[REDACTED] stated that the position of Administrative Sergeant was announced about one year ago and that two people put in for it. [REDACTED] stated that he was selected for the position, however, he was contemplating leaving the USM Police and going to work for the Federal Protective Service (FPS). [REDACTED] stated that he passed on the FPS position and Sergeant [REDACTED] took the Administrative Sergeant position. [REDACTED] stated that he withdrew his application from FPS and when Sergeant [REDACTED] took the Training Sergeant position, [REDACTED] took over the Administrative Sergeant position. (Exhibit 6)

In an interview with TOIG, [REDACTED] stated that [REDACTED] volunteers for everything when no other supervisors will. [REDACTED] stated that [REDACTED] assisted him with the hiring of new USM Police personnel and with the FVS. [REDACTED] stated that [REDACTED] is also a firearms instructor and a defensive tactics instructor and he would often times have to [REDACTED] his shift to complete these duties for the USM Police Department or take leave the night before if he had to be at the range early in the morning the next day. [REDACTED] stated that [REDACTED] always worked his full tour of duty, however, depending on what time he came in, he would then leave when his hours were completed. [REDACTED] stated that [REDACTED] was fulfilling the needs of the agency.

[REDACTED] stated that before he was promoted to Field Chief he was the Inspector; and the USM was working without a Lieutenant on day shift. [REDACTED] would confer with Lt. [REDACTED] the on duty supervisor, and request to pull [REDACTED] off of his shift to assist [REDACTED] with other collateral duties. [REDACTED] stated that at times he would grant leave to [REDACTED] who was going through some health and family issues and requested that his privacy be maintained while he was dealing with these issues. [REDACTED] stated that the prior Chief, [REDACTED], was aware of [REDACTED] situation. [REDACTED] stated that he would allow [REDACTED] to switch his eight hour day since they work an alternate 9-5-4 schedule.

[REDACTED] stated that he and [REDACTED] and [REDACTED] have commuted together to work on a few occasions since they live near each other and they were attending a Senior Staff meeting that would require them to stay later than their normal shift and cause [REDACTED] to miss the van pool.

[REDACTED] stated that he often comes into the USM on Sundays to do a site visit. [REDACTED] stated that his mother lives [REDACTED] in Pacifica and that he visits her and then drives home, however if traffic is bad he stops at the USM and waits until the traffic improves. [REDACTED] stated that he was also teleworking on Mondays and he would stop and pick up items he needed to complete while working from home.

[REDACTED] stated that the position of the Administrative Sergeant was advertised after Sergeant [REDACTED] left the USM and that [REDACTED] and Sergeant [REDACTED] both applied for the position. [REDACTED] stated that [REDACTED] was selected for the position, however, [REDACTED] was offered a position with the FPS and [REDACTED] asked [REDACTED] to train Sergeant [REDACTED] for the position and step aside since he was leaving the USM. [REDACTED] stated that [REDACTED] eventually did not accept the FPS position. [REDACTED] stated that he thought that Carroll would be promoted to Lieutenant and that he told [REDACTED] if he stayed he would move [REDACTED] into the administrative position. [REDACTED] stated that all of the Sergeants were told about the administrative position and that no one came forward except [REDACTED] [REDACTED] stated that Lt. [REDACTED] was promoted to Inspector and Sergeant [REDACTED] turned down the position of Lieutenant. [REDACTED] stated that [REDACTED] was next in line for Lieutenant, however, a Sergeant from the USM in Denver accepted the position. [REDACTED] stated that Sergeant [REDACTED] took over the Training Sergeant position and [REDACTED] moved into the

Report of Investigation

Case Name: [REDACTED]

Case # USM-17-0826-I

Page 6 of 8

administrative position. [REDACTED] stated that if [REDACTED] had been promoted to Lieutenant then Sergeant [REDACTED] was going to move into the Administrative Sergeant position.

[REDACTED] stated that Officer [REDACTED] was interviewed for the Training Sgt position and went through a resume review, and an oral board that was monitored by the USM Equal Employment Opportunity (EEO) manager. [REDACTED] stated that Sergeant [REDACTED] received an exceeded rating and was selected by [REDACTED] for the position. [REDACTED] stated that [REDACTED] was angry that he was not selected and filed an EEO complaint. [REDACTED] stated that [REDACTED] was not discriminated against. He just was not as qualified for the position as Sergeant [REDACTED]. [REDACTED] stated that [REDACTED] bragged to the swing-shift officers that he was going to file a TOIG complaint. (Exhibit 7)

**Referrals**

N/A

**Judicial Action**

N/A

**Findings**

The investigation determined that the allegation was unsubstantiated. TOIG interviews with all related employees unsubstantiated that [REDACTED] abused his authority or gave preferential treatment to any USM employee.

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**

Dennis O'Connor, Chief, United States Mint Police

Report of Investigation

Case Name: [REDACTED]

Case # USM-17-0826-I

Page 7 of 8

Signatures

Case Agent:

[REDACTED]

9/26/17  
Date

Supervisor:

[REDACTED]

Anthony J. Scott

10/6/17  
Date



Report of Investigation

Case Name: [REDACTED]

Case # USM-17-0826-I

Page 8 of 8

**Exhibits**

1. Complaint letter from Confidential Source, USM Police, dated March 3, 2017.
2. Memorandum of Activity, Interview of Confidential Source # 1, dated May 19, 2017.
3. Memorandum of Activity, Interview of [REDACTED] dated May 19, 2017.
4. Memorandum of Activity, Interview of [REDACTED] dated May 19, 2017.
5. Memorandum of Activity, Interview of [REDACTED] dated May 19, 2017.
6. Memorandum of Activity, Interview of [REDACTED] dated May 19, 2017.
7. Memorandum of Activity, Interview of [REDACTED] dated May 19, 2017.