

U.S. Department of Justice
Office of the Inspector General
Summaries of Investigations Requested by Senators Grassley and Coburn
October 1, 2011 – March 31, 2012

1. The Office of the Inspector General (OIG) conducted an investigation of allegations that a Supervisory Special Agent (SSA) of the Federal Bureau of Investigation (FBI) engaged in a conflict of interest and misused his official position by causing the FBI to enter contracts with an entity at which his brother was employed as a contracting officer. The investigation concluded that a conflict of interest did not arise from the brother's employment at the contractor. However, the OIG investigation did not support the SSA's assertions to the FBI and during his OIG interviews that he had previously notified his FBI supervisors and FBI Office of General Counsel of his brother's employment with the contractor. The OIG determined further that the SSA failed to reveal to the FBI his pre-existing personal relationship with the contractor's operations manager for an FBI contract that the SSA oversaw. The OIG concluded that the SSA's unreported personal relationships with personnel working for the contractor created an appearance of favoritism, particularly in light of his managerial influence and advocacy for the contractor within the FBI. The investigation also determined that the SSA disclosed classified information to the contractor without authorization, and subsequently lied about doing so. U.S. Attorney's Offices declined to prosecute the SSA, one office for false statements to federal officials, and another office for disclosure of classified information. On March 6, 2012, the OIG referred the matter to the FBI for action it determines to be appropriate.

On June 18, 2012, the FBI Office of Professional Responsibility (FBI OPR) issued a Statement of Proposed Action to the SSA. According to that statement, FBI OPR agreed with the OIG's findings that the SSA's actions created the appearance of favoritism, and that the SSA lacked candor while not under oath when he failed to make necessary disclosures to his supervisors. However, FBI OPR disagreed with the OIG's findings that the SSA disclosed classified information and that he lied to FBI and OIG officials while under oath. The statement proposed a 30-day suspension without pay. The FBI's final decision on this proposed action is pending.

2. The OIG conducted an investigation concerning allegations that an Assistant U.S. Attorney (AUSA) and his spouse inflated the AUSA's income on mortgage applications. The OIG identified multiple loan applications that improperly represented income that was derived from real estate investment transactions as salary and bonuses earned by the AUSA. The U.S. Attorney's Office at which the AUSA is employed was recused from the matter. The OIG presented the case to a different U.S.

Attorney's Office and the Criminal Division's Fraud Section, both of which declined prosecution. On March 14, 2012, the OIG referred this matter to the Executive Office for U.S. Attorneys for action it determines to be appropriate.