



United States Department of the Interior

Office of Inspector General
Washington, D.C. 20240

SEP 09 2009

The Honorable Jon T. Rymer
Inspector General
Federal Deposit Insurance Corporation
Office of Inspector General
3501 N. Fairfax Drive
Arlington, VA 22226

Subject: Report on the Quality Assessment Review of the Investigative Operations of the Office of Inspector General for the Federal Deposit Insurance Corporation

Dear Inspector General Rymer,

We have reviewed the system of internal safeguards and management procedures for the investigative function of the Office of Inspector General (OIG) for the Federal Deposit Insurance Corporation (FDIC) in effect for the period October 1, 2007, through September 30, 2008. Our review was conducted in conformity with the Quality Assessment Review guidelines/standards for investigations established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and the Attorney General's Guidelines for Office of Inspectors General with Statutory Law Enforcement Authority.

We reviewed compliance with the FDIC-OIG system of internal policies and procedures to the extent we considered appropriate. The review was conducted at the headquarters office in Arlington, VA, and field locations in Dallas, TX and New York, NY. Additionally, we sampled 22 case files for investigations closed during the previous 12-month period.

In performing our review, we have given consideration to the prerequisites of Section 6(e) of the Inspector General Act of 1978 (as amended) and Section 812 of the Homeland Security Act of 2002 (Pub.L. 107-296). Those documents authorize law enforcement powers for eligible personnel of each of the various offices of presidentially appointed Inspectors General. Those powers may be exercised only for activities authorized by the Inspector General Act of 1978, other statutes, or as expressly authorized by the Attorney General.

In our opinion, the system of internal safeguards and management procedures for the investigative function of the FDIC-OIG in effect for the aforementioned period is in compliance with the quality standards established by the CIGIE and the Attorney General guidelines. These safeguards and procedures provide reasonable assurance of conforming with professional standards in the conduct of its investigations.

If you have any questions or concerns, please contact me at 202-208-5351 or Scott Culver, Deputy Assistant Inspector General for Investigations at 202-208-6945.

Sincerely,

John E. Dupay
Assistant Inspector General
for Investigations

Attachment

Attachment: FDIC-OIG Quality Assessment Review

1. DOI-OIG Reviewing Team:

Bridgid Castorina, Director/Auditor of Quality Assurance, Washington, DC
Don Crook, Assistant Special Agent in Charge, Lakewood, CO
Greg Wales, Senior Special Agent, Computer Crimes Unit, Lakewood, CO
Lynn Gibson, Assistant Special Agent in Charge, Sacramento, CA
Peter Kim, Director of Operations/Special Agent (Team Leader), Reston, VA

2. Locations Included in the Assessment:

<u>Location</u>	<u>No. of Personnel Interviewed</u>
Arlington, VA	3
Dallas, TX	3
New York, NY	1

3. Review of Closed Investigative Files:

Case File Number	Case Closing Date
D202-001	10/9/2007
D205-003	9/3/2008
D205-031	2/8/2008
D205-037	2/12/2008
D206-010	10/15/2007
D206-016	10/15/2007
D206-035	10/9/2007
D206-046	2/12/2008
D207-009	9/3/2008
D207-045	3/25/2008
D208-005	7/8/2008
D208-009	9/3/2008
N201-020	2/29/2008
N205-012	12/3/2007
N206-020	1/22/2008
N207-001	12/3/2007
S200-037	3/26/2008
S202-006	10/12/2007
S206-015	2/4/2008
S206-044	1/25/2008
X200-025	1/24/2008
X207-013	12/4/2007



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The Honorable Jon T. Rymer
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Subject: Letter of Observations on the Investigative Operations of the Office of
Inspector General for the Federal Deposit Insurance Corporation

Dear Inspector General Rymer,

We have reviewed the system of internal safeguards and management procedures for the investigative function of the Office of Inspector General (OIG) for the Federal Deposit Insurance Corporation (FDIC) in effect for the period October 1, 2007, through September 30, 2008. Our review was conducted in conformity with the Quality Assessment Review (QAR) guidelines/standards for investigations established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and the Attorney General's Guidelines for Office of Inspectors General with Statutory Law Enforcement Authority. Our QAR opinion letter has been prepared on a separate document.

The QAR guidelines indicate that a supplemental letter of observations may be furnished to the Inspector General of the reviewed office. Therefore, in this letter, we are providing you of the following observations with regard to notable positive attributes of your office and a few suggested areas for improvement:

1. Notable Positive Attributes of the FDIC-OIG

- We observed positive attributes in the areas of security and safety with the Office of Investigations, Dallas, TX. The FDIC-OIG policy requires the designation of a "safe area" where weapons may be loaded or unloaded. We observed such an area and a firearm clearing-barrel in the office. We believe the Dallas office maintains a safe and secured office environment. In addition, we observed an effective security checkpoint at the building entrance as well as the FDIC security office's visitor-identity verification process inside the building.
- We observed positive features in the Investigative Data System (IDS). We noticed that the IDS facilitates an easy-to-use, automated process in which the Special Agents use the IDS, with supervisory approval in the IDS, to send

their request for technical support directly to the Electronic Crimes Unit. In addition, we observed the IDS providing limited access to and the capability for changing the case status updates by the case agent and his/her supervisor. Lastly, perhaps most notably, we observed the IDS case synopsis data feeding directly to the FDIC for the purpose of sharing appropriate case information with them in which it contributes to a positive image for FDIC-OIG's public relations and internal communication.

- We observed positive, useful FDIC-OIG Intranet features. We observed the Office of Investigations "Dashboard" that kept current performance management information readily available and a webpage that provided immediate access to OIG personnel data, with photographs and their contact information. We also noticed effective use of training development/request system and the user-friendly T&A system.
- We heard from several employees that FDIC-OIG provides ample opportunities for valuable, job-related training courses and that they feel the sense of appropriate management support for providing the necessary tools/equipment to accomplish the mission.

2. Areas for Improvement

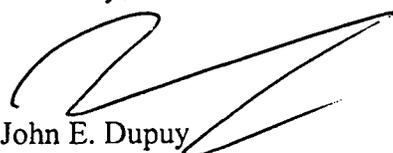
- We discussed the need to improve on retaining all contemporaneous interview notes and the documentation of completed computer forensic analysis in case files. We observed two case files in Dallas (D206-016 and S200-037) that the Special Agent in Charge could follow-up with the case agent for interview notes and a documentation (copy) of an approved consensual monitoring activity for a parallel case in Chicago. In Arlington, we discussed a case file (N-206-020) with the similar documentation needs for technical support activities from the Electronic Crimes Unit (ECU). In this instance, the ECU-support case lacked adequate documentation of completed computer forensic analysis and its results. We discussed this matter with the Special Agent in Charge (SAC) in Dallas and the Assistant Inspector General for Investigations (AIGI); they generally agreed with our observation.
- We discussed the need to document consistently with regard to supervisory reviews of case activities. Current FDIC-OIG policy requires the case review documentation at least every six months on a Supervisory File Review Sheet generated through IDS. We observed inconsistent documentation of supervisory case reviews in Dallas and Arlington in which some cases contained sporadically completed Supervisory Case Review Sheets for documentation but in other instances, supervisors relied on the process of IDS quarterly case report production and review. We discussed this matter with the SAC in Dallas and AIGI; they generally agreed with our observation.

- We suggest that the FDIC-OIG implement a written policy and procedures to ensure incumbent Special Agents are in compliance with the provisions of the Lautenberg Amendment [Title 18, USC, Section 922 (g)(9)]. The requirement states that individuals convicted of domestic violence are ineligible to possess or receive firearms or ammunition. While guidance exists requiring Lautenberg pre-employment certifications by Special Agents, we observed that no subsequent controls, other than a background security check/update, to ensure that anyone convicted of domestic violence does not remain employed as a Special Agent. We discussed this matter with the AIGI; he agreed with our suggestion and stated that he already discussed it with his legal office for possible implementation.

We thank you and your Investigations senior managers in Headquarters and Dallas for the helpful assistance. In particular, we wish to recognize a member of your Arlington staff, Ms. Kea Parker, Criminal Research Specialist, who made extra efforts to assist us in New York, as her flight from Washington, DC, to New York was delayed over six hours due to inclement weather. Ms. Parker sat in the airplane on a runway during those hours.

If you (or your POC) have any questions or concerns, please contact me at 202-208-5351 or Scott Culver, Deputy Assistant Inspector General for Investigations at 202-208-6945.

Sincerely,

A handwritten signature in black ink, appearing to read 'John E. Dupuy', written over a horizontal line.

John E. Dupuy
Assistant Inspector General
for Investigations