



FEDERAL DEPOSIT INSURANCE CORPORATION

DIRECTIVE SYSTEM

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TO: All Employees

FROM: Martin J. Gruenberg
Chairman

SUBJECT: Cooperation with the Office of Inspector General

1. Purpose This circular sets forth the obligations for FDIC employees, contractors, and sub-contractors to cooperate with the Office of Inspector General (OIG) as it conducts its investigations, audits, evaluations, and other activities.

2. Revision FDIC Circular 12000.1, Cooperation with Office of Inspector General Activities, dated September 28, 2007, is hereby revised and superseded.

3. Scope The provisions of this circular apply to all employees, as well as any person or entity providing goods or services to the FDIC as a contractor or subcontractor. The term “entity” includes any officer, director, partner, joint venture, affiliate, employee or contractor of such entity.

4. Background The Inspector General Act of 1978 (Public Law 95-452), as amended by the Inspector General Act Amendments of 1988 (Public Law 100-504), the RTC Completion Act (Public Law 103-204), and the Inspector General Reform Act of 2008, established an independent Office of Inspector General within the Corporation. The Inspector General (IG) is appointed by the President, operates under the general supervision of the Chairman or Vice Chairman if the authority is delegated, and reports at least semiannually to Congress consistent with the provisions of the Inspector General Act. No FDIC official, including the Chairman, may prevent or prohibit the IG from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena.

Background (cont'd)

The Office of Investigations carries out a comprehensive nationwide program for the prevention, detection, and investigation of criminal or otherwise prohibited activity affecting the FDIC and its programs. OIG Special Agents are federal, sworn statutory law enforcement officers with authorization to conduct criminal and other investigations relating to the programs and operations of the FDIC; serve subpoenas; administer oaths and affirmations; carry firearms; execute warrants; make arrests for offenses against the United States; and perform other duties as authorized by Federal laws, rules, and regulations. The Office of Investigations coordinates with the U.S. Department of Justice, the Federal Bureau of Investigation, the Secret Service, the Internal Revenue Service, other OIGs, and state and local law enforcement authorities.

The Office of Audits is responsible for establishing audit policies and conducting independent audits of the programs, operations, and contracts of the FDIC. Audits are performed in accordance with Government Auditing Standards promulgated by the Comptroller General of the United States. The Office of Audits is also responsible for ensuring that the work of non-Federal auditors used by the FDIC complies with applicable auditing standards and works with the Division of Finance's, Office of Corporate Management Control Branch to ensure that follow-up is completed on audit recommendations.

The Office of Evaluations performs evaluations, frequently at the request of FDIC management. Evaluations are performed in accordance with Quality Standards for Inspection and Evaluation developed by the Council of the Inspectors General on Integrity and Efficiency. The OIG may decide to perform an evaluation as an alternative to financial and performance audits.

5. Responsibilities

All employees, contractors, and subcontractors must cooperate with the OIG in order for the OIG to carry out its statutory mandate. These expectations for FDIC employees, contractors, and subcontractors also extend to requests from any contractor hired by the OIG. To that end, all employees, contractors, and subcontractors are required to:

a. Report Wrongdoing

An FDIC employee, contractor, or subcontractor shall promptly report to the OIG all instances of actual or suspected fraud, waste, abuse, or mismanagement perpetrated in connection with the programs and operations of the FDIC.

**Responsibilities
(cont'd)**

(1) The OIG shall make the appropriate referrals to Federal, state, or local law enforcement agencies, or other governmental or non-governmental entities. Specific additional provisions relating to computer security incidents are addressed in FDIC Circular 1360.12, Reporting Computer Security Incidents.

(2) All employees, contractors, and subcontractors are required to disclose and provide to the OIG information, documents, or other evidence that may indicate that fraud, waste, abuse, or any other wrongdoing has occurred or may occur.

b. Cooperate with OIG

(1) Assist and cooperate with OIG personnel in the course of performing their duties by disclosing timely, complete, and accurate information pertaining to the matters under investigation or review.

(2) Give requested information, including the provision of a signed sworn statement, to authorized representatives of the OIG when called upon during an inquiry related to official matters, and not conceal information or obstruct audits, evaluations, investigations, or other official OIG matters.

(a) Failure to respond to requests for information may result in FDIC management taking disciplinary action against an employee, up to and including dismissal.

(b) All employees, contractors, and subcontractors are required to cooperate fully with the OIG during investigations, audits, and evaluations. Any individual may invoke the protection of the Fifth Amendment to the Constitution of the United States with respect to self-incrimination when matters of a criminal nature are involved. However, furnishing false or misleading information to the OIG may result in criminal or administrative action.

c. Ensure Access to Records, Facilities, and Personnel

(1) Provide authorized representatives of the OIG complete, prompt, and unrestricted access to all files, documents, premises, and employees, except as limited by law, including access to all Corporation and Receivership, contractor, and subcontractor personnel, facilities, equipment, hard copy and

Responsibilities (cont'd)

electronic records, information systems, and other sources of information available to any part of the FDIC when requested during the course of the OIG's official duties.

(2) Unrestricted access means that managers and staff are not to impose burdensome administrative requirements or screening procedures that would impede OIG access.

(a) FDIC employees should advise the OIG when requested materials contain privacy-protected materials, attorney-client or deliberative (pre-decisional and draft) communications, and other sensitive information, or materials from agencies outside the Corporation.

(b) The production of materials to the OIG does not waive the ability to assert privileges or other protections in any forum.

d. Report Resolution and Disposition of Recommendations

(1) Participate in the timely resolution and disposition of recommendations for corrective action or management improvements made by the OIG.

(2) Promptly advise the OIG of the actions taken on each recommendation.

6. Policy

Under the authority of the Inspector General Act, as amended, the OIG shall independently and objectively:

a. Establish policy for and conduct, supervise, and coordinate audits and investigations relating to programs and operations of the Corporation.

b. Conduct, supervise, and coordinate activities designed to promote economy, efficiency, and effectiveness in the administration of corporate programs and operations, and prevent and detect fraud and abuse in corporate programs and operations.

c. Review and make recommendations with respect to relevant legislation and regulations.

d. Recommend policies for and promote, supervise, and coordinate relationships between the Corporation and other entities regarding:

**Policy
(cont'd)**

(1) the promotion of economy, efficiency, and effectiveness, or the prevention and detection of fraud or abuse in corporate programs and operations; and

(2) the identification and prosecution of participants in such fraud or abuse.

e. Keep the Chairman and Congress fully and currently informed concerning fraud, deficiencies, and other serious problems relating to the administration of corporate programs and operations, and the need for, and progress of, recommended corrective action concerning such problems and deficiencies.

f. Receive and investigate complaints or information from employees, contractors, subcontractors and other individuals concerning the possible existence of criminal or other misconduct constituting a violation of law, rules, or regulations; a cause for suspension or debarment; mismanagement; gross waste of funds; and abuse of authority, and report expeditiously to the Attorney General whenever the OIG has reasonable grounds to believe a violation of Federal criminal law has occurred.

g. Promote, supervise, or coordinate relationships between the OIG and other Federal, state and local governmental agencies and non-governmental entities with respect to all matters relating to the promotion of economy, efficiency, and effectiveness and the prevention and detection of fraud and abuse in programs and operations administered or financed by the FDIC.

h. Maintain an effective audit follow-up system to oversee the progress of recommendations made during the course of OIG audits and evaluations.

**7. Confidentiality of
Investigations**

OIG investigations often address matters of considerable sensitivity to the Corporation and the individuals involved. For this reason, and to facilitate the ability of the OIG to perform its mission, each employee, contractor, and subcontractor shall:

a. Keep confidential the requests made by OIG Special Agents for records, files, and information, unless otherwise authorized by the OIG or unless disclosure is necessary to the performance of official duties.

b. Refrain from commenting on or discussing ongoing OIG investigations with anyone (either within or outside the FDIC) other than the OIG Special Agents who are conducting the investigation, unless authorized by the OIG or otherwise necessary to the performance of official duties.

Confidentiality of Investigations (cont'd)

c. Be permitted to communicate with an attorney for the purpose of seeking legal advice or, for bargaining unit members, with a union representative.

8. Employee Complaints

The Inspector General Act of 1978:

- a. Authorizes the Inspector General to receive and investigate complaints and information from FDIC employees concerning possible violations of law, rules or regulations, and mismanagement, waste, abuse of authority, or danger to the public health and safety.
 - b. Requires the Inspector General to protect the confidentiality of the identities of all employees who provide complaints or information to the OIG (unless disclosure is unavoidable during the course of an investigation). Non-FDIC employees may request confidentiality and be assured that their identities will not be disclosed except as required by law.
 - c. Prohibits any supervisor from taking any reprisal action against any FDIC employee for making a complaint or providing information to the OIG. No supervisor or any other FDIC employee, contractor, or subcontractor, shall take any reprisal action against any FDIC employee, or employee of a contractor or subcontractor, for making a complaint or providing information to the OIG unless the complaint was made or the information was disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.
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9. Contacting the OIG

- a. Reports of potential wrongdoing related to the programs and operations of the FDIC may be reported to the OIG in the following ways:
 - (1) in person,
 - (2) by telephone,
 - (3) U.S. Postal Service,
 - (4) email, or
 - (5) facsimile
- b. The OIG maintains a Hotline as a convenient mechanism that employees, contractors, subcontractors, and others can use to report instances of suspected fraud, waste, abuse, and mismanagement within FDIC and its contractor operations. The

**Contacting the
OIG (cont'd)**

OIG provides a 24-hour, toll-free, nationwide Hotline number (1-800-964-FDIC), facsimile number (703-562-6444), email address (IGHotline@FDIC.gov), and a U.S. Postal Service mailing address (FDIC Office of Inspector General Hotline, 3501 Fairfax Dr., Room VS-D-9069, Arlington, VA 22226) to receive reports of potential wrongdoing.

Detailed information regarding the Hotline is available on the FDICnet. However, persons making reports in an official capacity, such as managers requesting OIG assistance, are requested to contact the appropriate OIG unit (e.g., Investigations, Audits, or Evaluations) directly, rather than using the Hotline.

c. Persons reporting allegations to the OIG may do so anonymously or confidentially. However, due to the nature of email communications, an individual who desires anonymity must make the complaint(s) by telephone or in writing via U.S. Mail.

10. Effective Date

The provisions outlined in this circular are effective immediately.