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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 06/24/2009

To: Criminal Investigative

Attn:

UC
SSA
SIA
IA

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San Francisco

Attn:

ASAC
ASAC
SSA
A-SIA
SSA
SSA
SSA
SSA

From: San Francisco

Contact: IA

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Approved By:

Drafted By:

Case ID #: (Pending); 12

804H-SF-143728-STIM (Pending); 2

✓ 804H-SF-143728-TARP (Pending); 2

804B-SF-C139511 (Pending); 65

804B-SF-C139511 (Pending); 132

804B-SF-C139511 (Pending); 143

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Title:

ASSESSMENT CONCERNING:
DOMESTIC PUBLIC OFFICIALS (DPOs)

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804H-SF-143728-TARP; 2

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To: Criminal Investigative From: San Francisco
Re: [REDACTED] 06/24/2009

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AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA);
PUBLIC CORRUPTION;
SENSITIVE INVESTIGATIVE MATTER (SIM)

Synopsis: To provide FBIHQ with background information
regarding the establishment of [REDACTED]
[REDACTED] within the San Francisco division.

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Reference: [REDACTED]
804H-SF-143728-STIM Serial 1
804H-SF-143728-TARP Serial 1

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Details: On [REDACTED] the San Francisco division established
[REDACTED] to
address [REDACTED]
[REDACTED] The mission of [REDACTED] will be [REDACTED]
[REDACTED]
[REDACTED] Through its efforts, [REDACTED] hopes to [REDACTED]
[REDACTED]
[REDACTED] To accomplish its mission, [REDACTED] will [REDACTED]
[REDACTED]

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Analysts, both internal and external, pundits and
the media have commented on the lack of oversight and
transparency with regards as to how the funds are allocated
and spent by its recipients. As a result of these
deficiencies, these projects and programs are extremely
vulnerable to fraud, corruption and waste. An overall picture
into the amount of money involved:

<u>Program</u>	<u>Total</u>	<u>California Total</u>
HERA	\$3.9 Billion	\$530M
TARP	\$700 Billion	N/A
STIM	\$825 Billion	\$85 Billion

[REDACTED] is comprised of the following [REDACTED] in the
San Francisco Division: [REDACTED] (SFHQ), [REDACTED]
[REDACTED] (Oakland RA), [REDACTED] (San Jose RA), [REDACTED]
[REDACTED] (SFHQ), [REDACTED] (Santa Rosa RA), [REDACTED]
[REDACTED] (Concord RA) and IAS [REDACTED] and [REDACTED]
[REDACTED] and other IAS assigned to [REDACTED] of [REDACTED]

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[REDACTED] In addition, AUSA [REDACTED]
[REDACTED] is also a member [REDACTED]

[REDACTED] will also include LEOs and investigators from other government agencies. Though not yet identified, these will most likely consist of personnel from the Office of Inspector General of agencies such as the Department of Energy, Housing and Urban Development, Department of Transportation, etc. These agencies, though in theory part of [REDACTED] will not be required to meet monthly (see below) as prescribed for the core FBI San Francisco personnel.

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Future Goals

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

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Accomplishments to Date

[REDACTED] was implemented as a [REDACTED]
[REDACTED]
continues to [REDACTED]
[REDACTED]

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Intelligence Assessments

On [REDACTED] two assessments were opened to address the American Recovery and Reinvestment Act of 2009 (ARRA) (Sub STIM and Sub TARP). These assessments will seek to identify vulnerabilities as they pertain to the area covered by the San Francisco Division.

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Presentations

During the [REDACTED] in [REDACTED] IA [REDACTED] (SF) and IAs [REDACTED] both of [REDACTED] FBIHQ delivered a presentation on [REDACTED]. The presentation [REDACTED]

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On [REDACTED] IAs [REDACTED] delivered a presentation on [REDACTED] IA [REDACTED]

TARP

[REDACTED] Office of Special Inspector General TARP, met with representatives of the San Francisco United States Attorney's Office and the San Francisco FBI on March 5, 2009. [REDACTED] defined his role [REDACTED] and described [REDACTED] [REDACTED] pledged continued cooperation with the Department of Justice to address the challenges presented by the unprecedented \$700 billion bailout program.

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On May 22, 2009, representatives from the SF United States Attorney's Office [REDACTED] and IRS met with [REDACTED] Investigations Division and [REDACTED]

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[REDACTED] described the various TARP programs emphasizing the programs that had potential for Securities Fraud and Mortgage Fraud violations, including the Capital Purchase Program (Bank Bailout Program), the TALF program, the Public Private Investment Program (PPIP) and the Making Home Affordable Mortgage Modification Program. [REDACTED]

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[REDACTED] pledged continued communication and cooperation with Federal law enforcement in the San Francisco Field Office.

Liaison

[REDACTED] has already begun its liaison with federal, state and local agencies. Meetings have been held with the Offices of Inspector General (OIG) of the Department of Housing and Urban Development (HUD) and the Department of Energy. [REDACTED] has also established liaison with OIG of the Department of Transportation and the OIG of the Department of Veterans Affairs.

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[REDACTED] has also met with HUD's Community Planning and Development Unit (CPD) which manages the receipt and disbursement of federal funds to state and local agencies. CPD provided an overview of HUD programs and the vulnerabilities to fraud, waste and abuse expected as a result of the rapid deployment and large amount of funds that are to be disbursed.

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Recently, [REDACTED] met with The City Attorney's Stimulus Spending Task Force of San Francisco and the City Attorney's Chief Trial Deputy Attorney to discuss the City of San Francisco's issues with regards to their receipt of federal stimulus money. As with the federal agencies mentioned above, FBI San Francisco reiterated our willingness to provide assistance in any criminal investigative matters that arise from the stimulus money.

Additional meetings are planned with the San Francisco Unified School District, Department of Transportation OIG, and the California Department of Transportation.

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LEAD(s):

Set Lead 1: (Info)

CRIMINAL INVESTIGATIVE

AT WASHINGTON, DC

[REDACTED] for information only.

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Set Lead 2: (Info)

CRIMINAL INVESTIGATIVE

AT WASHINGTON, DC

[REDACTED] for information only.

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Set Lead 3: (Info)

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