

SEC OIG INVESTIGATIVE SUMMARY



An SEC Financial Economist failed to preclear personal securities transactions, meet securities holding period requirements, and report related income information on annual financial disclosure filings, as required by ethics regulations. The employee also misused his position in an immigration matter.

The Securities and Exchange Commission (SEC) Office of Inspector General (OIG) investigated allegations that an SEC financial economist (the employee) failed to preclear personal securities transactions with the SEC's Office of the Ethics Counsel (OEC), including a cryptocurrency-related stock that was prohibited from being held by SEC employees, and that he may have used nonpublic information to inform those transactions.

The OIG found that the employee bought and sold a cryptocurrency-related stock prohibited from being held by SEC employees, which resulted in a personal gain of over \$200,000. The employee bought and sold numerous other securities, some of which were not permitted to be held by SEC employees at the time. The employee failed to obtain required approvals from OEC before making those transactions.

The OIG also found that the employee failed to report income earned from some of those transactions on his Office of Government Ethics financial disclosure report and failed to report cryptocurrency holdings on his annual certification of personal holdings.

The OIG did not find evidence that the employee used nonpublic information to inform any of his personal securities transactions.

During the investigation, the OIG also identified and investigated the employee's potential misuse of his position. The OIG found that the employee used SEC letterhead and his official SEC title on a letter of recommendation to another government agency regarding the U.S. immigration status of a friend and nongovernment employee.

The OIG referred the matter to the U.S. Attorney's Office for the District of Columbia which declined prosecution.

The OIG referred the matter to the SEC for any action deemed appropriate.

