



U.S. OFFICE OF SPECIAL COUNSEL

1730 M Street, N.W., Suite 300
Washington, D.C. 20036-4505

The Special Counsel

October 19, 2011

The President
The White House
Washington, D.C. 20500

Re: OSC File No. DI-11-2332

Dear Mr. President:

Pursuant to 5 U.S.C. § 1213(e)(3), enclosed please find an agency report based on disclosures received from Mr. Thomas Bisanz, Division of Resolutions and Receiverships (DRR) Specialist, Federal Deposit Insurance Corporation (FDIC), Dallas, Texas. Mr. Bisanz, who consented to the release of his name, disclosed that an FDIC employee engaged in conduct that may constitute violations of law, rule, or regulation.

On May 13, 2011, Mr. Bisanz's allegations were referred to the Honorable Sheila C. Bair, then Chairman of the FDIC, to conduct an investigation pursuant to 5 U.S.C. § 1213(c) and (d). On May 25, 2011, then Chairman Bair delegated authority to investigate and report on the disclosures to the FDIC Office of Inspector General (OIG). On August 31, 2011, FDIC Inspector General Jon T. Rymer submitted his report based on the results of an investigation conducted by the OIG. Mr. Bisanz declined to file comments in response to the agency report. As required by law, 5 U.S.C. § 1213(e)(3), I am now transmitting the report to you.

Mr. Bisanz disclosed that Peter Coughlin, Chief of Owned Real Estate Section III, DRR, openly and actively attempted to broker a real estate transaction for the purchase of a parcel of land by Matthews Southwest, a private real estate developer for whom Mr. Coughlin worked prior to his employment with the FDIC, from Bank of the Ozarks, Inc., an FDIC insured financial institution. Mr. Bisanz alleged that Mr. Coughlin's activities related to the sale of the land violate federal laws prohibiting outside employment.

The OIG report did not substantiate Mr. Bisanz's allegations. According to the report, the investigation found no evidence that Mr. Coughlin attempted to broker a real estate transaction or engaged in any inappropriate outside employment. Mr. Bisanz declined to comment on the report.

I have reviewed the original disclosure and the agency's report. Based on that review, I have determined that the agency's report contains all of the information required by statute and that the findings appear to be reasonable.

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As required by 5 U.S.C. § 1213(e)(3), I have sent copies of the agency report to the Chairman and Ranking Member of the Senate Committee on Banking, Housing, and Urban Affairs and the Chairman and Ranking Member of the House Committee on Financial Services. I have also filed a copy of report in our public file, which is now available online at www.osc.gov, and closed the matter.

Respectfully,

A handwritten signature in black ink, appearing to read "Carolyn Lerner". The signature is fluid and cursive, with a long horizontal stroke at the end.

Carolyn N. Lerner
Special Counsel

Enclosure