

SUMMARY OF PORNOGRAPHY-RELATED INVESTIGATIONS CONDUCTED BY THE SECURITIES AND EXCHANGE COMMISSION OFFICE OF INSPECTOR GENERAL

At the request of Senator Charles E. Grassley (R-Iowa), the following is a summary of the investigative reports and memoranda issued by the Securities and Exchange Commission (SEC) Office of Inspector General (OIG) regarding SEC employees and contractors misusing government computer resources to view pornographic images during the past five years. The most recent memorandum reports were issued on March 8, 2010.

During the past five years, the SEC OIG substantiated that 33 SEC employees and or contractors violated Commission rules and policies, as well as the Government-wide Standards of Ethical Conduct, by viewing pornographic, sexually explicit or sexually suggestive images using government computer resources and official time. Of the 33 investigations or inquiries conducted, 31 took place in approximately the past two-and-a-half years. Many of the employees who engaged in such conduct were at a senior level and earned substantial salaries through their government employment. The employees found to have engaged in this inappropriate conduct included 17 employees at a level of grade SK-14 and above (which can range from \$99,356 through \$222,418.) In many of the investigative matters, the OIG obtained key admissions from the employees under investigation in sworn, on-the-record testimony. The following is a breakdown by year of the cases reported to management during the past five years: three in 2010, ten in 2009, 16 in 2008, two in 2007, one in 2006, and one in 2005.

Below are some specific examples of the evidence uncovered by the OIG in our reports on the misuse of resources and official time to view pornography:

- A Regional Office Supervisory Staff Accountant admitted that he frequently viewed pornography at work on his SEC computer for about a year and that he accessed pornography on his SEC-issued laptop computer while on official government travel. The OIG also found numerous pornographic images stored on the hard drive of his government computer.
- Another Regional Office Supervisory Staff Accountant admitted that he used his SEC-assigned computer to access and attempt to access Internet web sites containing pornography and other sexually explicit material during work hours fairly frequently, sometimes up to twice a day. He further admitted this activity had probably occurred for a long time. This senior staff member also admitted saving numerous pornographic images to the hard drive of his SEC computer and viewing them from time to time during work hours.

- A Regional Office Staff Accountant received nearly 1,800 access denials for pornographic websites using her SEC laptop in only a two-week period, and had nearly 600 pornographic images saved on her laptop hard drive.
- A Division of Enforcement Senior Counsel used his SEC-assigned laptop computer on numerous occasions to access Internet pornography, and his computer hard drive contained 775 pornographic or inappropriate images.
- A Regional Office Senior Enforcement Attorney accessed pornographic images from his SEC laptop during work hours and saved sexually explicit images to his computer hard drive. The OIG also found a thumb drive connected to his SEC laptop that contained five distinct videos depicting hard core pornography.
- A Headquarters Senior Attorney admitted accessing Internet pornography and downloading pornographic images to his SEC computer during work hours so frequently that, on some days, he spent eight hours accessing Internet pornography. In fact, this attorney downloaded so much pornography to his government computer that he exhausted the available space on the computer hard drive and downloaded pornography to CDs or DVDs that he accumulated in boxes in his office.
- An Attorney Advisor for the Division of Corporation Finance admitted viewing pornography and sexually explicit images from his government computer during work hours for one or two years, and that he did so approximately twice per week.
- A Regional Office Examiner began using his SEC-assigned laptop two weeks after he began employment at the SEC to access Internet pornography and used a flash drive to bypass the Commission's Internet filter and successfully access a significant number of pornographic images.
- A Regional Office Staff Accountant received over 16,000 access denials for Internet websites classified by the Commission's Internet filter as either "Sex" or "Pornography" in a one-month period. In addition, the hard drive of this employee's SEC laptop contained numerous sexually suggestive and inappropriate images.
- A Division of Corporation Finance Staff Accountant admitted that he accessed Internet pornography on a repeated basis during and after work hours and, on certain SEC workdays, he spent up to five hours accessing Internet pornography. This employee also admitted opening accounts with Internet pornography websites using his SEC computer, that he bookmarked sites containing sexually explicit videos or images as his website favorites, and that he had uploaded a sexually explicit video file from his SEC computer onto one of the websites he had joined.