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Ex-Goldman Banker Wants Final Fed Decision On Lifetime Ban

By **Dave Simpson**

Law360 (May 30, 2018, 10:44 PM EDT) -- A former Goldman Sachs Group Inc. investment banker accused of mishandling confidential documents sued the Federal Reserve in New York federal court on Wednesday for failing to act on his appeal of an industry ban and \$300,000 administrative penalty.

Joseph Jampietro, who claims he never engaged in any wrongful conduct, says that in 11 months he's gotten no response to his refutation of an administrative law judge's recommendation that he face a lifetime ban from the industry.

"There is reason to believe that unless mandamus is granted here the Reserve Board will continue its inaction in this case, while leaving Jampietro indefinitely to suffer the effects of the publicized summary disposition order by the (administrative law judge) that effectively imposed an industry bar," the complaint said.

The court should either toss the case against him, he said, or make a final decision so that he can challenge the ruling in a federal appeals court.

In 2014, a Goldman Sachs investigation found that associate Rohit Bansal had received confidential information from former colleague and New York Fed employee Jason Gross, and then forwarded that information to Jampietro and others.

That information was then used in presentations intended to win and keep clients for Jampietro's bank regulatory practice.

Jampietro was fired in October 2014 after Goldman Sachs determined that he hadn't reported a leak of confidential information to the necessary parties, according to a complaint the bank filed against the him in a separate case.

The U.S. Attorney's Office for the Southern District of New York and the New York Department of Financial Services subsequently opened investigations into Jampietro, but eventually found he had done nothing wrong.

Goldman Sachs in October 2015 reached a **\$50 million settlement** with the DFS in a related matter.

In 2015, the Financial Industry Regulatory Authority and the Federal Reserve Board opened investigations into Jampietro over the same conduct. The Fed action resulted in a **\$36.3 million fine** against Goldman Sachs and a recommendation of a lifetime banking industry ban for Jampietro for misusing confidential supervisory information.

On Wednesday, Jampietro told the Fed to make a final decision or get off the pot.

"By neglecting to take final agency action, the Reserve Board has effectively trapped Jampietro in an administrative purgatory," he said in the complaint. "The (administrative law judge) has found a way to impose the sanction the Reserve Board sought — barring Jampietro from the industry by way of a

public recommended decision — without subjecting it to appellate review that cannot withstand objective scrutiny.”

Jiampietro is represented by Adam C. Ford and Kevin O’Brien of Ford O’Brien LLP.

Counsel for the Fed was not immediately known Wednesday.

The case is Jiampietro v. Board of Governors of the Federal Reserve System, case number 1:18-cv-04769, in the U.S. District Court of the Southern District of New York.

--Additional reporting by Stewart Bishop. Editing by Adam LoBelia.

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