



U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, DC 20530

The Honorable Jim Jordan
Chairman
Committee on the Judiciary
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Jordan:

This responds to your subpoenas to the Federal Bureau of Prisons (FBOP) and the U.S. Attorney's Office for the Southern District of New York (USAO SDNY), dated April 26, 2024, and your letters to FBOP and the USAO SDNY, dated May 9, 2024, regarding Jason Galanis, an individual currently in the FBOP's custody. Today, the Department of Justice (Department) is providing documents and information related to Mr. Galanis' application for home confinement under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.¹ We are also prepared to make a senior FBOP official available to brief the House Committee on the Judiciary (Committee), as discussed further below.

CARES Act Home Confinement

On March 13, 2020, President Trump declared a national emergency due to the outbreak COVID-19.² On March 26, 2020, Attorney General Barr issued a memorandum instructing the FBOP Director to utilize home confinement to protect the health and safety of adults in FBOP custody and FBOP employees, while continuing to keep communities safe.³ Under this memorandum, FBOP evaluated adults in custody for home confinement considering a non-exhaustive list of factors, such as the age of the individual and their vulnerability to COVID-19; the security level of the facility housing the individual; the individual's conduct while incarcerated; whether the individual had a demonstrated re-entry plan; and the individual's crime of conviction.⁴ On March 27, 2020, the CARES Act was signed into law, which permitted FBOP to "lengthen the maximum amount of time for which the [FBOP] Director is authorized to place

¹ The Department is providing this information pursuant to a Release of Information Consent form signed by Mr. Galanis.

² Proclamation 9994, Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak, 85 FR 15337 (Mar. 18, 2020).

³ Memorandum for the Director, FBOP, from the Attorney General, *Re: Prioritization of Home Confinement As Appropriate in Response to COVID-19 Pandemic* (Mar. 26, 2020).

⁴ *Id.*

a prisoner in home confinement.”⁵ On April 3, 2020, Attorney General Barr issued another memorandum making clear that, although FBOP should utilize home confinement to mitigate the spread of COVID-19, FBOP was still to make individualized determinations regarding the appropriateness of home confinement consistent with its obligation to protect public safety.⁶

Refinements to CARES Act Considerations and Processes

Following the March 26, 2020, memorandum, FBOP issued several internal guidance memoranda regarding home confinement to meet the evolving challenges created by the COVID-19 pandemic. This updated guidance instructed FBOP employees to consider a number of factors when making home confinement decisions, such as whether:

- The individual had served 50 percent or more of their sentence, or an individual who had 18 months or fewer remaining on their sentence had served more than 25 percent of that sentence;⁷
- The individual had a low or minimum Prisoner Assessment Tool Targeting Estimated Risk and Needs score,⁸ and
- The individual had current or prior offenses that were not violent, not a sex offense, and not terrorism related.⁹

In August 2022, FBOP Residential Reentry Management offices began consulting the relevant U.S. Attorney’s Office when individuals being referred for home confinement under the CARES Act had greater than five years remaining to serve on their term of imprisonment. This effort, coupled with consideration of the factors listed above, was intended to ensure individuals under consideration for CARES Act home confinement were appropriate for placement in the community. In December 2022, FBOP reiterated this policy in an internal guidance memorandum.¹⁰ For convenience, we are enclosing the referenced memoranda and internal guidance.

Most recently, the Department issued a final rule granting the FBOP Director with the discretion to allow individuals placed on home confinement under the CARES Act to remain on home confinement after the expiration of the covered emergency period.¹¹ This final rule represents the Department’s commitment to protecting the safety of our communities, while simultaneously continuing to support the successful transition of those on home confinement back to society.

⁵ Coronavirus Aid, Relief, and Economic Security Act, Public Law 116–136, sec. 12003(b)(2), 134 Stat. 281, 516 (2020) (“CARES Act”).

⁶ Memorandum for the FBOP Director from the Attorney General, *Re: Increasing Use of Home Confinement at Institutions Most Affected by COVID-19* (Apr. 3, 2020).

⁷ Memorandum for Chief Executive Officers, from Andre Matevosian *et al.*, FBOP, *Re: Home Confinement* (Nov. 16, 2020).

⁸ Memorandum for Chief Executive Officers, from Andre Matevosian *et al.*, FBOP, *Re: Home Confinement* (Apr. 13, 2021).

⁹ *Id.*

¹⁰ Memorandum for Chief Executive Officers, from Catricia Howard *et al.*, FBOP, *Re: Home Confinement Criteria and Guidance* (Dec. 21, 2022).

¹¹ 88 FR 19830.

Mr. Galanis' Charges, Plea, and Sentencing

Your letter inquired about Mr. Galanis' application for home confinement under the CARES Act. In January 2020, Mr. Galanis pled guilty to multiple counts of securities fraud, investment adviser fraud, and conspiracy to commit these frauds.¹² His guilty pleas stemmed from his participation in several fraudulent schemes, including a scheme to manipulate the market for a publicly traded company and to defraud the shareholders of the company, as well as to defraud the clients of an investment advisory firm.¹³ Mr. Galanis also pled guilty to defrauding a Native American tribal entity and the investing public of tens of millions of dollars in connection with the issuance of bonds by the tribal entity.¹⁴

In September 2020, Mr. Galanis was sentenced to 189 months in prison. In addition to his sentence, he was ordered to forfeit \$80,869,117.10 and his interest in properties in New York and Los Angeles, and to make restitution in the amount of more than \$80 million.¹⁵

Mr. Galanis' FBOP Placement and Request for CARES Act Home Confinement

On May 11, 2022, Mr. Galanis was transferred to the Federal Prison Camp in Pensacola, Florida (FPC Pensacola). On February 1, 2023, Mr. Galanis started the process of applying for home confinement under the CARES Act by signing a supervision release plan form with his case manager reflecting his intended release destination. On February 4, 2023, his case manager submitted an "Institutional Referral for CCC Placement" form to the Community Corrections Manager in the Residential Reentry Management Branch (RRMB). According to the Institutional Referral for Community Corrections Center (CCC) Placement form, Mr. Galanis' anticipated release date was November 19, 2028. The form requested that Mr. Galanis be released to a friend's residence in San Diego, California. On March 23, 2023, the U.S. Probation Office for the Southern District of California informed Mr. Galanis' case manager that it investigated the San Diego residence and approved the location listed in the supervision release plan. On March 28, 2023, the FPC Pensacola warden signed the CCC Placement form and referred Mr. Galanis' home confinement request to the RRMB.

At the time of his request, Mr. Galanis had more than five years remaining on his term of incarceration. Consistent with the policy explained above, on May 24, 2023, the RRMB solicited input from the USAO SDNY—the U.S. Attorney's Office responsible for prosecuting Mr. Galanis—regarding the potential placement of Mr. Galanis in home confinement. On May 26, 2023, the USAO SDNY advised RRMB that it would likely object to his early release. On June 9, 2023, the USAO SDNY detailed its objections to Mr. Galanis' potential home confinement placement, which were based on his criminal history, the nature of his conduct, and the length of his remaining sentence. On June 13, 2023, the RRMB denied Mr. Galanis' request. FBOP's

¹² Press Release, Department of Justice, Jason Galanis Sentenced in Manhattan Federal Court for Multiple Securities Fraud Schemes (Sept. 24, 2020), <https://www.justice.gov/usao-sdny/pr/jason-galanis-sentenced-manhattan-federal-court-multiple-securities-fraud-schemes>.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.*

decision was consistent with the factors identified in the April 2020 Attorney General memorandum and FBOP internal guidance, including guidance to consult the relevant U.S. Attorney's Office in cases where an individual had five or more years left on their term of incarceration.

On July 3, 2023, Mr. Galanis initiated an informal resolution process challenging the denial of his application.¹⁶ The informal resolution process concluded on July 19, 2023, after Mr. Galanis' counselor and Unit Manager informed him that the RRMB denied his request for home confinement after determining that he was "not appropriate for placement in the community for the amount of time that was requested." On August 2, 2023, Mr. Galanis requested an administrative remedy for the denial of his application for home confinement. On August 31, 2023, he was formally notified that his request was denied because he was "not appropriate for placement in the community for the amount of time that was requested." On September 28, 2023, Mr. Galanis appealed the denial of his administrative remedy request. On January 4, 2024, Mr. Galanis' appeal was denied.

Mr. Galanis also alleged he was the recipient of staff sexual misconduct, including sexual assault and harassment. FBOP takes all allegations of misconduct seriously. Consistent with FBOP's normal practice, Mr. Galanis' allegations were referred to the FBOP's Office of Internal Affairs, and an investigation is ongoing.

In your letters of May 9, 2024, you expressed an interest in hearing from several FBOP and USAO SDNY personnel about Mr. Galanis' case. In addition to the information we are providing today, and as a continued accommodation of the Committee's interest in this matter, we will make a senior FBOP official available to brief the Committee on issues relevant to Mr. Galanis' case. We remain open to discussing your interest in hearing from additional personnel following the briefing, to the extent the Committee has further needs at that time.¹⁷

¹⁶ Under FBOP regulations, an individual in custody can present an issue of concern informally to staff to resolve the issue before submitting a Request for Administrative Remedy. Program Statement: Administrative Remedy Program § 542.13 (Jan. 6, 2014), *available at* https://www.bop.gov/policy/progstat/1330_018.pdf.

¹⁷ This includes FBOP Director Peters, who is unavailable on your requested hearing date of June 13, 2024. Separately, the Committee's May 9, 2024, letter to FBOP Director Peters states that FBOP "refus[ed] to allow [Representative Matt Gaetz] to meet with" a different adult in custody, Dr. Peter Navarro. To the Department's knowledge, no such request has been denied. Indeed, to the extent Representative Gaetz would like to meet with Dr. Navarro, FBOP will assist in facilitating the request consistent with standard visitation policies. We note that Director Peters and Representative Gaetz spoke on May 2, 2024, regarding his request that FBOP facilitate the appearance of Peter Navarro on Representative Gaetz's podcast. In the interest of transparency, Director Peters shared her belief that the warden at Federal Correctional Institution Miami would deny the request for Mr. Navarro to appear on Representative Gaetz's podcast due to safety and security concerns at the institution.

We hope this information is helpful. The Department will continue to produce additional responsive documents on a rolling basis to meet the Committee's informational needs, while respecting Executive Branch confidentiality interests and Department resources. Please do not hesitate to contact this office if we may provide additional assistance regarding this or any other matter.

Sincerely,

Carlos Felipe Uriarte
Assistant Attorney General

Enclosures

cc:

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The Honorable James Comer
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