



United States Department of State



# PRELIMINARY DETAILS for 99017

**Duty Post:** D.C WASHINGTON

**OffenseCode:** 40  
*SPECIAL INQUIRY*

**Status :** C

**Agent :** (b) (6), (b) (7)(C)

**Division:** H

**Agency :**

**Case Number:** 99028

**Hot Line Number :**

**Setup:** 11/25/1998

**Suspense:** 01/11/1999

**Closed:** 02/24/1999

Name	Type	Title
SHEARER, CODY	S	PRIVATE CITIZEN

**Narrative:** On November 12, 1998, the Washington Post ran an article entitled, *Freelance Bosnia Mediation Draws Fire From State*, which alleged that CODY SHEARER, the brother-in-law of Deputy Secretary of State Talbot, was involved in unauthorized freelance diplomacy in Bosnia. ◀◀Preliminary inquiry closed, all document from this file will become part of the case opening 99-028.



Office of Inspector General

PERSONNEL SENSITIVE

# CASE ACTIVITY REPORT

## for Case# 99028



Status: C Priority: HIGH Opened: 02/24/1999 Closed: 06/16/1999 HOTLINE#:  
 Agent: (b) (6), (b) (7)(C) Div: H Backup Agent: Prelim#:  
 DutyPost: D.C. WASHINGTON Source: MEDIA Joint Agency: FBI  
 Name Type Title Grade  
 SHEARER, CODY S PRIVATE CITIZEN CITIZEN

Case Offenses:  
SPECIAL INQUIRY

This case was predicated by a November 12, 1998, Washington Post article entitled, "Freelance Bosnia Mediation Draws Fire From State," which reported that CODY SHEARER, the brother-in-law of Deputy Secretary of State Talbott, was involved in unauthorized freelance diplomacy in Bosnia.

On November 30, 1998, the OIG (b) (5), (b) (7)(E) met with Assistant United States Attorney (AUSA) (b) (6), (b) (7)(C) to discuss the possible violation of 18 USC 953 - Private correspondence with foreign governments--as it relates to SHEARER. (b) (5), (b) (7)(E) SHEARER may have represented himself as speaking on behalf of the U.S. Department of State and Strobe Talbott. (b) (5), (b) (7)(E) had interviewed both Strobe Talbott and SHEARER. (b) (5), (b) (7)(E), Talbott stated that he had written SHEARER a letter essentially telling him to be careful in his actions and to refer matters related to Yugoslavia war criminals to Ambassador Robert Gelbard.

On March 5, 1999, the OIG and FBI interviewed Ambassador Gelbard and Senior Advisor Bair, who provided documents confirming that SHEARER was involved in activities to negotiate the surrender of Radovan Karadzic and the proposed partitioning of Bosnia. Ambassador Gelbard stated that SHEARER's activities caused temporary diplomatic damage in Bosnia but that it has since been repaired.

On March 8, 1999, the OIG (b) (5), (b) (7)(E) met with AUSA (b) (6), (b) (7)(C) to present its findings obtained to date, and on March 26, 1999, AUSA (b) (6), (b) (7)(C) advised that due to the inherent constitutional weaknesses of 18 USC 953, prosecution would be declined in this matter. AUSA (b) (6), (b) (7)(C) also stated that due to lack of admissible evidence and minimal evidence of criminal intent, prosecution of 18 USC 1001 would be declined as well.

(b) (6), (b) (7)(C)

On June 10, 1999, the OIG informed the Office of the Legal Adviser of SHEARER's actions and suggested that it contact SHEARER and admonish him to refrain from engaging in unauthorized freelance diplomacy.

Since all investigative leads have been completed in this matter, no further investigative activity appears warranted.