

Special Inspector General for the Troubled Asset Relief Program

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2015	FY 2016	FY 2017	FY 2016 to FY 2017	
	Enacted	Enacted	Request	Change	% Change
Audit	9,243	8,870	8,644	(226)	-2.55%
Investigations	24,991	31,801	32,516	715	2.25%
Subtotal Appropriated Resources	\$ 34,234	\$ 40,671	\$ 41,160	\$ 489	1.20%
Unobligated Balances from Prior Years	10,957	6,495	3,790	(2,705)	-41.65%
Available PPIP Funds	965	928	1,548	620	66.81%
Total Program Operating Level	\$ 46,156	\$ 48,094	\$ 46,498	\$ (1,596)	-3.32%
Total FTE	192	192	192	N/A	N/A
Budget Activity	FY 2015	FY 2016	FY 2017	FY 2016 to FY 2017	
	Enacted	Enacted	Request	Change	% Change
Audit	12,201	10,266	9,440	(826)	-8.05%
Investigations	33,955	37,828	37,058	(770)	-2.04%
Total SIGTARP by Budget Activity	\$ 46,156	\$ 48,094	\$ 46,498	\$ (1,596)	-3.32%
Total FTE	192	192	192	N/A	N/A

Summary

The FY 2017 President's Budget request for the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) includes funding to support and complement Treasury's Strategic Goal 1: Promote domestic economic growth and stability while continuing reforms of the financial system. Through open and transparent communication with Congress, SIGTARP also supports Treasury's Strategic Goal 5: Create a 21st-century approach to government by improving efficiency, effectiveness, and customer interaction.

SIGTARP promotes the efficiency and effectiveness of TARP management through transparency, coordinated oversight, and robust enforcement. Congress created SIGTARP to protect taxpayers who funded the TARP from fraud, waste, and abuse through SIGTARP oversight and audits, and through investigations to combat fraud and other crime. SIGTARP is a white-collar law enforcement agency with the authority to search, seize, and arrest. Fraud prevention and law enforcement are at the heart of

SIGTARP's mission. SIGTARP has been responsible for many of the significant financial crisis cases, but these complex cases take time to investigate. Considering most complex financial fraud investigations can take several years to complete, SIGTARP's high arrest and conviction rates are particularly notable.

Of the four primary oversight bodies referenced in the Emergency Economic Stabilization Act of 2008 (EESA), (i.e., SIGTARP, the Financial Stability Oversight Board, the Congressional Oversight Panel, and the Government Accountability Office), SIGTARP stands as the sole TARP oversight body responsible for criminal law enforcement. Also, SIGTARP is the only agency solely charged with the mission of:

- **Transparency** – Promote transparency in the government's response to the financial crisis, including TARP programs;
- **Oversight** – Advise and provide recommendations to Treasury and the federal banking regulators to facilitate

effective oversight and to prevent fraud, waste, and abuse; and

- **Robust Enforcement** – Prevent, detect, investigate, and refer for prosecution cases of fraud, waste, and abuse related to TARP.

SIGTARP’s FY 2017 President’s Budget request will provide resources to (1) detect, stop, and investigate crime related to TARP; (2) support prosecutions of those defendants SIGTARP investigates; and (3) provide oversight and transparency over TARP-funded housing programs.

Under EESA, SIGTARP is mandated to carry out its duties until the government has sold or transferred all assets and terminated all obligations under TARP. SIGTARP’s mission, which is independent of Treasury’s mission related to TARP, is to remain “on watch” as long as TARP assets remain outstanding, which Treasury currently has scheduled until at least the year 2023.

SIGTARP FY 2017 Budget Highlights

Dollars in Thousands

Special Inspector General for TARP	FTE	Amount
FY 2016 Enacted	192	\$40,671
Changes to Base:		
Maintaining Current Levels (MCLs):		\$588
Pay raise		303
Pay annualization		101
Non-pay		184
Efficiency Savings	(8)	\$(99)
Technical FTE Adjustment	(8)	
Efficiency Savings		(99)
Subtotal Changes to Base	(8)	\$489
Total FY 2017 Base	184	\$41,160
Total FY 2017 Request	184	\$41,160

FY 2017 Budget Adjustments

Maintaining Current Level (MCLs)

Pay-Raise +\$303,000 / +0 FTE

Funds are requested for the proposed January 2017 pay-raise.

Pay Annualization +\$101,000 / +0 FTE

Funds are requested for annualization of the January 2016 pay-raise.

Non-Pay +\$184,000 / +0 FTE

Funds are requested for inflation adjustments in non-labor expenses such as GSA rent adjustments, postage, supplies, and equipment.

Technical FTE Adjustment -\$0 / -8 FTE

The technical FTE adjustment reduces the appropriated FTE level but does not reduce SIGTARP’s overall FTE levels. The eight FTE will be absorbed in SIGTARP’s PPIP fund to more accurately reflect work performed and prior year usage.

Efficiency Savings -\$99,000 / -8 FTE

SIGTARP will reduce costs through efficiencies identified in technology investments.

Explanation of Budget Activities

Audit (\$8,644,000 from direct appropriations)

The Audit budget activity supports SIGTARP’s priority of coordinated oversight by providing recommendations to Treasury to improve the effectiveness and efficiency of TARP programs; to bring transparency to decisions made in TARP; and to prevent fraud, waste, and abuse. SIGTARP conducts, supervises, and coordinates programmatic audits of TARP without sacrificing the rigor of required methodology. SIGTARP’s audits facilitate transparency and opportunities to improve TARP.

Investigations (\$32,516,000 from direct appropriations)

The Investigations budget activity supports SIGTARP’s priority of robust law enforcement of crimes and other violations of the law related to TARP. SIGTARP conducts criminal and civil investigations related to TARP using a staff of experienced investigators, including special agents, forensic agents, investigators, analysts, and investigative attorneys. This structure provides SIGTARP with a broad array of expertise and perspective in detecting and

unravelling the most sophisticated of crimes. In the interest of maximizing resources, SIGTARP coordinates closely with other law enforcement agencies. In forming law enforcement partnerships and task force relationships across federal and state

governments, SIGTARP leverages its unique position and expertise.

Legislative Proposals

SIGTARP has no legislative proposals.

SIGTARP Performance by Budget Activity

Budget Activity	Performance Measure	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Target	FY 2017 Target
Audit	Number of Completed Audit Products (Units)	10	10	8	DISC	DISC
Audit	Number of Completed Audit Products Including Referrals to Investigations Division (Units)	N/A	N/A	N/A	7	7
Audit	Percentage of Congressional Inquiries Responded to within 45 Days of Receipt (%)	N/A	N/A	100	85	85
Investigations	Percentage of Cases Accepted for Consideration by Civil or Criminal Authorities Resulting in a Positive Final Outcome (%)	N/A	N/A	N/A	60	70
Investigations	Percentage of Cases Presented to Civil or Criminal Authorities Within Eight Months of the Case Being Opened (%)	N/A	N/A	N/A	70	70
Investigations	Percentage of Cases that are Joint Agency/Task Force Investigations (%)	79	76	70	70	70
Investigations	Percentage of Hotline Complaints Responded to or Referred for Investigation or further action with 14 days of Receipt (%)	83	95	94	DISC	DISC
Investigations	Percentage of Investigations Accepted for Consideration by Prosecutors (%)	94	98	95	DISC	DISC
Investigations	Percentage of Preliminary Investigations Converted to full Investigations within 180 days (%)	82	96	100	80	80

Key: DISC - Discontinued

Description of Performance

The performance measure “Number of Completed Audit Products” includes issuing audit products that promote the efficiency and effectiveness of TARP and prevent waste, fraud, and abuse.

SIGTARP met its target of eight audit products for FY 2015. In recognition of the shift of increasing resources to law enforcement and to reflect expected results of the new forensic audit unit, SIGTARP changed this target in FY 2016 to more accurately reflect the relationship between the Audit and Investigations activities. The new measure, “Number of Completed Audit Products including Referrals to Investigations Division,” tracks the ties between the two activities and continues to measure the number of audit reports that promote the efficiency and effectiveness of TARP. The target for this new metric is seven in FY 2016 and seven in FY 2017.

In FY 2015, SIGTARP added a new measure to track the responsiveness of information flow between SIGTARP and Congress. “Percentage of Congressional Inquiries Responded to within 45 days of Receipt” tracks SIGTARP’s promptness in providing developments of its oversight activities to Congress. In FY 2015, SIGTARP exceeded its 85 percent target in all inquiries, responding within 45 days 100 percent of the time. SIGTARP’s targets are 85 percent for FY 2016 and 85 percent for FY 2017.

The SIGTARP Hotline has analyzed more than 34,968 Hotline contacts. The “Percentage of Hotline Complaints Responded to or Referred for Investigation or Further Action within 14 Days of Receipt” was almost 94 percent for FY 2015, exceeding the target of 75 percent. As SIGTARP transitions to alternative means of uncovering TARP-related crimes, it is discontinuing this measure in FY 2016.

Instead, SIGTARP will measure the “Percentage of Cases Accepted for Consideration by Civil or Criminal Authorities Resulting in a Positive Final Outcome.” For this new metric, SIGTARP’s targets are 60 percent for FY 2016 and 70 percent for FY 2017.

During FY 2015, “Percentage of Investigations Accepted for Consideration by Prosecutors” was more than 95 percent, exceeding the target of 70 percent. SIGTARP will discontinue this performance metric in FY 2016 and replace it with “Percentage of Cases Presented to Civil or Criminal Authorities within Eight Months of the Case Being Opened.” The targets for this new metric are 70 percent in FY 2016 and 70 percent in FY 2017.

In FY 2015, “Percentage of Cases That are Joint Agency/Task Force Investigations” with other law enforcement agencies was just under 70 percent, exceeding the target of 50 percent. SIGTARP’s target is 70 percent for FY 2016 and 70 percent for FY 2017.

In FY 2015, “Percentage of Preliminary Investigations Converted to Full Investigations within 180 days” was 100 percent, exceeding the target of 70 percent. As SIGTARP has gained expertise in investigating TARP-related crime, it has efficiently leveraged its resources to handle its growing inventory and to expedite these investigations. As SIGTARP’s workforce has evolved, so has its ability to respond quickly to allegations and to devote the necessary resources. SIGTARP has involved prosecutors in preliminary investigations to ensure that allegations, if proven, will be prosecuted. The result is a greater number of preliminary investigations converted to full investigations within the 180-day timeframe. Based on these efficiencies, future targets will increase to 80 percent in FY 2016 and 80 percent in FY 2017.