

Special Inspector General for TARP

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2014	FY 2015	FY 2016	FY 2015 TO FY 2016	
	Enacted	Enacted	Request	\$ Change	% Change
Audit	\$12,220	\$9,243	\$8,870	(\$373)	-4.04%
Investigations	\$22,703	\$24,991	\$31,801	\$6,810	27.25%
Subtotal, Special Inspector General for TARP	\$34,923	\$34,234	\$40,671	\$6,437	18.80%
Unobligated balances from Prior Years	\$6,683	\$10,957	\$6,495	(\$4,462)	-40.72%
Available PPIP Funds	\$1,536	\$965	\$928	(\$37)	-3.83%
Total Program Operating Level	\$43,142	\$46,156	\$48,094	\$1,938	4.20%
Total FTE	192	192	192	0	0

Budget Activity	FY 2014	FY 2015	FY 2016	FY 2015 TO FY 2016	
	Enacted	Enacted	Request	\$ Change	% Change
Audit	\$15,296	\$12,201	\$10,266	(\$1,935)	-15.86%
Investigations	\$27,846	\$33,955	\$37,828	\$3,873	11.41%
Total SIGTARP by Budget Activity	\$43,142	\$46,156	\$48,094	\$1,938	4.20%
Total FTE	192	192	192	0	0.00%

Summary

The FY 2016 President's Budget request for the Special Inspector General for 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. In particular, through its oversight and investigations of TARP-related activities, SIGTARP supports Objective 1.1: promote savings and increased access to credit and affordable housing options, Objective 1.2: wind down emergency financial crisis response programs, and Objective 1.3: complete implementation of financial regulatory reform initiatives, continue monitoring capital markets, and address threats to stability.

Additionally, through open and transparent communication with Congress, SIGTARP supports Treasury's Strategic Goal 5: create a 21st-century approach to government by

improving efficiency, effectiveness, and customer interaction. Through expedient responses to inquiries from Congress, SIGTARP supports Objective 5.4: create a culture of service through relentless pursuit of customer value.

SIGTARP promotes the efficiency and effectiveness of TARP management, through transparency, coordinated oversight, and robust enforcement against those persons and entities, whether inside or outside of government, who waste, steal or abuse TARP funds. 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 2016 budget request will provide resources to (1) detect, stop, and investigate crime related to TARP; (2) support prosecutions of those defendants SIGTARP investigates; (3) provide significant oversight and transparency over the financial institutions remaining in TARP; and (4) provide oversight and transparency over TARP-funded housing programs which are scheduled to last as late as 2023.

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. In other words, 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 the year 2023.

SIGTARP FY 2016 Budget Highlights

Dollars in Thousands

Special Inspector General for TARP	FTE	Amount
FY 2015 Enacted	192	\$34,234
Changes to Base:		
Maintaining Current Levels (MCLs):	-	\$772
Pay-Raise	-	\$306
Pay Annualization	-	\$78
FERS Contribution Increase	-	\$106
Non-Pay	-	\$282
Other Adjustments	-	\$5,665
Base Funding Shortfall	-	\$5,665
Subtotal Changes to Base	-	\$6,437
Total FY 2016 Base	192	\$40,671
Total FY 2016 Request	192	\$40,671

FY 2016 Budget Adjustments

Adjustments to Request

Maintaining Current Level (MCLs)

Pay-Raise +\$306,000 / +0 FTE

Funds are requested for the proposed January 2016 pay-raise.

Maintaining Current Level (MCLs)

Pay Annualization +\$78,000 / +0 FTE

Funds are requested for annualization of the January 2015 pay-raise.

FERS Contribution Increase +\$106,000 / +0 FTE

Funds are requested for increases in agency contributions to the Federal Employee Retirement System based on updated actuarial estimates.

Non-Pay +\$282,000 / +0 FTE

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

Base Funding Shortfall +\$5,665,000 / +0 FTE

Funds are requested to meet basic operation requirements. In previous years, operating needs were met through a combination of appropriated dollars and no-year funds. SIGTARP anticipates its non-earmarked no-year account is expected to be exhausted in FY 2016, and its annual appropriation is insufficient to cover SIGTARP’s base

operations. A fully funded annual appropriation is critical to SIGTARP's continued success in fulfilling its mandate.

Explanation of Budget Activities

Audit (\$8,870,000 from direct appropriations, \$0 from reimbursable resources)

The Audit budget activity supports SIGTARP's priority of coordinated oversight by providing recommendations to Treasury to improve TARP programs, bring transparency to decisions made in TARP, and 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 and protect TARP.

Investigations (\$31,801,000 from direct appropriations)

The Investigations Division 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 2012	FY 2013	FY 2014	FY 2015	FY 2016
		Actual	Actual	Actual	Target	Target
Audit	Congressional Requests for Testimony Completed (Units)	4	5	4	3	DISC
Audit	Number of Completed Audit Products (Units)	13	10	10	8	7
Audit	Percentage of Congressional Inquiries Responded to within 45 Days of Receipt	N/A	N/A	N/A	N/A	85.0
Investigations	Percentage of Cases That are Joint Agency/Task Force Investigations	65.0	79.0	75.5	50.0	70.0
Investigations	Percentage of Hotline Complaints Responded to or Referred for Investigation or Further Action within 14 Days of Receipt	77.0	83.0	95.0	75.0	80.0
Investigations	Percentage of Investigations Accepted for Consideration by Prosecutors	95.0	94.0	97.5	70.0	80.0
Investigations	Percentage of Preliminary Investigations Converted to Full Investigations within 180 Days	77.0	82.0	95.75	70.0	80.0

Key: DISC - Discontinued and B - Baseline

Description of Performance

In FY 2014 SIGTARP exceeded its performance goal of three “Congressional Requests for Testimony Completed,” having completed four testimonies. SIGTARP anticipates that Congress will continue to have an interest in SIGTARP’s work.

In FY 2016 SIGTARP will measure its responsiveness to Congressional inquiries, which SIGTARP believes is a more meaningful measure of Congressional interest in SIGTARP’s mission. The new measure, “Percentage of Timely Responses to Congressional Inquiries” focuses on the responsiveness of information flow and transparency between SIGTARP and Congress. This measure will replace “Congressional Requests for Testimony Completed” in FY 2016.

The performance goal, “Number of Completed Audit Products” includes issuing audit products that promote the efficiency and effectiveness of the TARP and prevent waste, fraud and abuse. SIGTARP completed 10 audit products in FY 2014, exceeding its goal of eight completed audit products.

For FY 2014, “Percentage of Cases That are Joint Agency/Task Force Investigations” with other law enforcement agencies was 75.5 percent, exceeding the target of 45 percent.

One of SIGTARP’s primary investigative priorities is to operate the SIGTARP Hotline that provides a simple, accessible way for the American public to report crime tips. The “Percentage of Hotline Complaints Responded to or Referred for Investigation or Further Action Within 14 Days of Receipt” was 95 percent for FY 2014, exceeding the goal of 70 percent.

The “Percentage of Investigations Accepted for Consideration by Prosecutors,” was 97.5 percent for FY 2014, exceeding the target of 70 percent. This success is directly related to SIGTARP’s thorough investigation of evidence and its support of prosecutions.

In FY 2014, “Percentage of Preliminary Investigations Converted to Full Investigations Within 180 days” was 95.75 percent, exceeding the target of 60 percent. This is due to SIGTARP involving prosecutors in preliminary investigations to ensure that allegations, if proven, will be prosecuted.

It is expected that SIGTARP will continue to meet or exceed performance measures in FY 2015 and FY 2016.