

## Special Inspector General for TARP

### Program Summary by Budget Activity

(Dollars in thousands)

Mandatory and Discretionary Levels	FY 2009	FY 2010	FY 2011		
	Enacted	Enacted	Request	\$ Change	% Change
<b>Salaries and Expenses</b>	<b>\$65,000</b>	<b>\$23,300</b>	<b>\$49,600</b>	<b>\$26,300</b>	<b>113%</b>
Salaries and Expenses	\$50,000	\$23,300	\$49,600	\$26,300	113%
Public Private Investment Fund (PPIP)	\$15,000	\$0	\$0	\$0	0%
<b>Mandatory Funding</b>	<b>\$65,000</b>				
<b>Discretionary Funding</b>		<b>\$23,300</b>	<b>\$49,600</b>	<b>\$26,300</b>	<b>113%</b>
<b>Total Mandatory and Discretionary</b>	<b>\$65,000</b>	<b>\$23,300</b>	<b>\$49,600</b>	<b>\$26,300</b>	<b>113%</b>
Available no-year funds - S&E		\$20,100		(\$20,100)	-100%
Available PPIP funds <sup>1</sup>	\$0	\$5,000	\$5,000	\$0	0.00%
<b>Total Program Operating Level</b>	<b>\$65,000</b>	<b>\$48,400</b>	<b>\$54,600</b>	<b>\$6,200</b>	<b>13%</b>

Program Summary by Budget Activity	FY 2009	FY 2010	FY 2011		
	Enacted	Enacted	Request	\$ Change	% Change
Audit	\$27,900	\$20,700	\$23,200	\$2,500	12%
Investigation	\$37,100	\$27,700	\$31,400	\$3,700	13%
<b>Total SIGTARP by Budget Activity</b>	<b>\$65,000</b>	<b>\$48,400</b>	<b>\$54,600</b>	<b>\$6,200</b>	<b>13%</b>

<sup>1</sup> SIGTARP expects that it will expend approximately \$5,000,000 per year for FY 2010, FY 2011 and FY 2012 in a manner consistent with P.L. 111-22.

### Explanation of Request

The 2011 President's Budget request for the Special Inspector General for Troubled Asset Relief Program (SIGTARP) includes funding to support the Department of the Treasury's strategic outcome of effectively managing the U.S. Government's finances as they relate to the Troubled Asset Relief Program (TARP). SIGTARP's top priority is to promote transparency in the management and operation of TARP, ensuring the satisfaction of the public's right to know how Treasury decides to invest the public's money, how it manages the assets it obtains, and how TARP recipients use these funds.

### Purpose of Program

SIGTARP's mission is to advance economic stability by promoting the efficiency and effectiveness of TARP management, through transparency, through coordinated oversight, and through robust enforcement against those, whether inside or outside of Government, who waste, steal or abuse TARP funds.

#### Transparency

Promoting transparency in the management and operation of TARP is one of SIGTARP's primary roles. Through EESA, the American taxpayer has been asked to fund - to the tune of hundreds of billions of dollars - an unprecedented effort to stabilize the financial system and promote economic recovery; in this context, the public has a right to know how that money is being spent. Transparency

is a powerful tool to ensure that all those managing TARP funds will act appropriately, consistent with the law and in the best interests of the country.

### Coordinated Oversight

SIGTARP plays a vital role in promoting the economy and efficiency in the management of TARP and views its oversight role both prospectively (by advising TARP managers on issues relating to internal controls and oversight, for example) and retrospectively (by assessing the effectiveness of TARP activities over time and suggesting improvements and making recommendations for positive change). SIGTARP closely coordinates its oversight activities with the other TARP oversight bodies to ensure maximum oversight coverage and to avoid redundant and unduly burdensome requests.

### Robust Enforcement

SIGTARP's third primary role is to prevent, detect and investigate cases of fraud, waste and abuse of TARP funds and programs. SIGTARP, through its own investigative resources and through partnership with other relevant law enforcement agencies, is committed to robust criminal and civil enforcement against those, whether inside or outside of Government, who waste, steal or abuse TARP funds.

In 2011, SIGTARP will continue to design and conduct programmatic audits of Treasury's TARP operations, as well as recipients' compliance with their obligations under relevant law and contract. SIGTARP will also conduct and supervise criminal and civil investigations into any parties suspected of TARP-related fraud, waste, or abuse. And SIGTARP must remain flexible at all times to respond to future changes to TARP programs.

### SIGTARP FY 2011 Budget Highlights

(Dollars in thousands)

Appropriation	Amount
FY 2010 Enacted	23,300
Adjustments to FY 2010 Enacted	
FY 2010 Base Realignment	\$25,015
Maintaining Current Levels (MCLs):	\$1,285
FERS % Change	\$9
Non-Pay Inflation Adjustment	278
Pay Annualization	702
Pay Inflation	296
Subtotal Adjustments to FY 2010 Enacted	\$26,300
<b>Total FY 2011 Base</b>	<b>49,600</b>
<b>Total FY 2011 President's Budget Request</b>	<b>49,600</b>
Available funds from Pub. Law No. 111-22 (PPIP)	\$5,000
<b>Total FY 2011 Budgetary Resources</b>	<b>54,600</b>

### FY 2011 Budget Adjustments

#### FY 2010 Enacted

The FY 2010 enacted direct appropriation for SIGTARP is \$23,300,000.

#### Maintaining Current Levels (MCLs)

*Adjustments Necessary to Maintain Current Levels +\$1,285,000 / +0 FTE* Funds are requested for: FY 2011 FERS increase of \$9,000 for the increase in agency retirement contribution percentages for GS employees from 11.2% to 11.5% as required by OPM; FY 2011 cost of the January 2010 pay increase of \$702,000; proposed January 2011 pay raise of \$296,000; and non-labor related items such as contracts, travel, supplies, equipment and GSA rent adjustments of \$278,000. In addition, there is an FY 2010 Base Realignment of \$25,015,000.

### Explanation of Budget Activities

#### Salaries and Expenses

*Audit (\$21,000,000 from direct appropriation)* conducts, supervises, and coordinates programmatic audits with respect to

Treasury's operation of TARP and the recipients' compliance with their obligations under relevant law and contracts; evaluates TARP policies and procedures; and provides technical assistance to Treasury.

*Investigation (\$28,600,000 from direct appropriations)* supervises and conducts criminal and civil investigations into those persons and entities, whether inside or outside

of government, who waste, steal, or abuse TARP funds.

### **Legislative Proposals**

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SIGTARP has no legislative proposals for FY 2011.

## SIGTARP Performance by Budget Activity

Budget Activity	Performance Measure	FY 2007	FY 2008	FY 2009			FY 2010	FY 2011
		Actual	Actual	Target	Actual	Target Met?	Target	Target
Audit	Percentage of Recommendations Implemented (%) (Oe)	NA	NA	B	100	Yes	70	70
Investigation	Percentage of investigations accepted by prosecutors (%) (Oe)	NA	NA	B	95	Yes	50	55

Key: Oe- Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, and B - Baseline

### Description of Performance

SIGTARP is continuing to set challenging performance goals with positive results. The Audit Division continues to review TARP policies and procedures including TARP agreements. With respect to TARP agreements, SIGTARP recommended that Treasury require program participants to use their best efforts to account for their use of TARP funds and to report periodically to Treasury

concerning such use.

In the interests of maximizing criminal and civil enforcement, the Investigation Division coordinates closely with other law enforcement agencies with the goal of forming law enforcement partnerships, including task force relationships, across the Federal government to leverage SIGTARP's expertise and unique position.