

OFFICE OF THE SPECIAL INSPECTOR GENERAL  
TROUBLED ASSET RELIEF PROGRAM

1500 Pennsylvania Ave., NW, Suite 1064

Washington, D.C. 20220

January 29, 2009

The Honorable Peter Orszag  
Director  
Office of Management and Budget  
725 17th Street, NW  
Washington, DC 20503

Dear Mr. Orszag:

Pursuant to 44 U.S.C. § 3507(j) and 5 C.F.R. § 1320.13, I hereby request Emergency Processing of the attached information collection instrument. As discussed below, the information sought by the instrument is essential to the mission of the Office of the Special Inspector General for Troubled Asset Relief Program (“SIGTARP”), and it is highly unlikely that the information can be obtained under normal procedures before it is needed.

The Emergency Economic Stabilization Act of 2008 that established the Troubled Asset Relief Program (“TARP”) also created SIGTARP. SIGTARP is responsible for coordinating and conducting audits and investigations of any program established by the Secretary of the Treasury under the act. One of SIGTARP’s primary areas of focus is ensuring, to the fullest extent possible, transparency in the operation of TARP.

Increasingly, members of the Congress, the press, and the public have expressed frustration with the opaque nature of TARP operations, and they have raised questions about (1) the use funding provided by the Federal government under the various TARP programs; and (2) efforts to restrain excessive executive compensation. Congressional questions are now transforming into demands and instructions for action. SIGTARP has been apprised that soon to be introduced legislation and/or written demands from Congress will require SIGTARP to report to Congress on or before September 2009 concerning the uses of TARP funds, the impact of those funds, whether the funds were segregated from other institutional funds, compliance with limitations on executive compensation, etc. Also, I recently received the attached letter from Chairman Barney Frank of the House Committee on Financial Services, encouraging our effort in this area and asking to be kept informed of our progress. Accordingly, SIGTARP must immediately seek and obtain the limited information sought by the attached instrument, which will serve as a preliminary step in planned audits of use of TARP funds and compliance with conditions related to executive compensation.

In light of these needs, the attached letter of inquiry to TARP recipients comprises the totality of our planned data collection, and is intended to obtain basic information that should be at the fingertips of the recipients of TARP assistance, and provides them with flexibility in

assistance have not created and have close at hand business plans or other information detailing the information we seek. Thus, the reporting burden for the attached instrument should be minimal. In the event that issues are identified, SIGTARP will design and implement additional procedures—apart from this information collection effort—to resolve them.

Without emergency processing, it could take at least three full months to obtain an Office of Management and Budget (“OMB”) Control Number for the attached instrument under normal procedures (e.g., a 30-day minimum notice and comment period and a 60-day OMB review period, see 5 C.F.R. § 1320.10). And, this estimate assumes that neither the public nor OMB have any substantive comments about the attached instrument for SIGTARP to consider and respond to. Add to this estimate the 30-day response time frame for reply included in the instrument—and effectively required by 5 C.F.R. § 1320.05(d)(2)(ii)—and worse public or OMB comments to consider, and SIGTARP cannot reasonably expect to receive the necessary data until the mid- to late-summer. This would make it extremely difficult to analyze the responses, conduct any needed follow-up interviews with selected TARP recipients and then prepare a report to meet a September 2009 report date.

Further, in addition to the looming September 2009 deadline, the executive compensation issue poses a significant risk to the public. The Congress, the press, and the public have rightly expressed concern (perhaps outrage would be a more apt characterization) about executive compensation within the institutions that sought TARP assistance and agreed to abide by Federal guidelines. We fear that this risk may be aggravated by a lengthy administrative process associated with simply inquiring how these same institutions have implemented their agreement to abide by applicable guidelines.

We think this initiative is vital to SIGTARP’s assessment of the effectiveness of TARP programs over time, and thus we respectfully request Emergency Processing of the attached information collection instrument. Failure to obtain such processing will likely result in our inability to comply with a Congressional mandate, and could prevent us from efficiently detecting misuse of TARP funds. If you have any questions regarding this initiative, please feel free to contact me at (202) 622-1419, or Mr. Barry W. Holman, my Deputy Inspector General for Audit at (202) 622-4633.

Very truly yours,



Neil M. Barofsky  
Special Inspector General

OFFICE OF THE SPECIAL INSPECTOR GENERAL  
TROUBLED ASSET RELIEF PROGRAM  
1500 Pennsylvania Ave., N.W., Suite 1064  
Washington, D.C. 20220

January \_\_, 2009

Firm name  
Firm address

The Emergency Economic Stabilization Act of 2008 (“EESA”) that established the Troubled Asset Relief Program (TARP) also created the Office of the Special Inspector General for Troubled Asset Relief Program (SIGTARP). SIGTARP is responsible for coordinating and conducting audits and investigations of any program established by the Secretary of the Treasury under the act. As part of an audit into TARP recipients’ use of funds and their compliance with EESA’s executive compensation requirements,

I am requesting that you provide my office, within 30 days of this request, the following information:

- (1) A narrative response specifically outlining (a) your anticipated use of TARP funds; (b) whether the TARP funds were segregated from other institutional funds; (c) your actual use of TARP funds to date; and (d) your expected use of unspent TARP funds. In your response, please take into consideration your anticipated use of TARP funds at the time that you applied for such funds, or any actions that have taken that you would not have been able to take absent the infusion of TARP funds.
- (2) Your specific plans, and the status of implementation of those plans, for addressing executive compensation requirements associated with the funding. Information provided regarding executive compensation should also include any assessments made of loan risks and their relationship to executive compensation; how limitations on executive compensation will be implemented in line with Department of Treasury guidelines; and whether any such limitations may be offset by other changes to other, longer-term or deferred forms of executive compensation.

In connection with this request:

- (1) We anticipate that responses might well be quantitative as well as qualitative in nature regarding the impact of having the funds, and we encourage you to make reference to such sources as statements to the media, shareholders, or others concerning your intended or actual use of TARP funds, as well as any internal email, budgets, or memoranda describing your anticipated use of funds. We ask that you segregate and preserve all documents referencing your use or anticipated use of TARP funds such as any internal email, budgets, or memoranda regarding your anticipated or actual use of TARP funds.
- (2) Your response should include copies of pertinent supporting documentation (financial or otherwise) to support your response.
- (3) Further, I request that, your response be signed by a duly authorized senior executive officer of your company, including a statement certifying the accuracy of all statements, representations, and supporting information provided, subject to the requirements and penalties set forth in Title 18, United States Code, Section 1001.
- (4) Responses should be provided electronically within 30 days to SIGTARP at (need a web address to use), with an original signed certification and any other supporting documentation mailed to (what mailing address do we use?)

We think this initiative is vital to providing transparency the TARP program and the ability of SIGTARP and others to assess the effectiveness of TARP programs over time. If you have any questions regarding this initiative, please feel free to contact Mr. Barry W. Holman, my Deputy Inspector General for Audit at (202) 622-4633, or me at (202) 622-1419.

Very truly yours,

Neil M. Barofsky  
Special Inspector General

United States House of Representatives  
Committee on Financial Services  
Washington, DC 20515

January 27, 2009

The Honorable Neil M. Barofsky  
Special Inspector General  
Office of the Special Inspector General  
Troubled Assets Relief Program  
1500 Pennsylvania Avenue, NW, Suite 1064  
Washington, DC 20220

Dear Inspector General Barofsky:

I was very pleased to receive your January 22 letter in which you outline your plans for increased transparency in the Troubled Asset Relief Program (TARP), particularly regarding the use of TARP funding by recipient institutions. You are using the authority Congress added to the TARP proposal in precisely the way in which we hoped.

I applaud your decision to require each recipient to give a full, documented accounting of what it has done with the money and its plans for complying with applicable restrictions on executive compensation. That will not only give the public they the information to which they are entitled; the fact that the information must be published will put appropriate additional pressure on recipient institutions to comply with both the letter and the spirit of the legislation.

Please keep me fully informed of progress on your efforts, and let me know if you require additional resources or authority to carry out your important work.



BARNEY FRANK  
Chairman