



SIGTARP

# STRATEGIC PLAN: FISCAL YEARS 2019 – 2023

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## A MESSAGE FROM THE SPECIAL INSPECTOR GENERAL



I am pleased to present the Strategic Plan for Fiscal Years 2019 – 2023 for the Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP). This document reflects our responsibilities as identified by the Emergency Economic Stabilization Act and the Inspector General Act and sets forth SIGTARP’s operational goals over the next four years to meet the evolving oversight needs of the program. These four goals – justice, impact, innovation, and stewardship – will ensure that SIGTARP protects Americans in ways that are meaningful, timely, and relevant.

These operational goals capitalize on our success, while recognizing that TARP is different than it was during the crisis. They will serve as our foundation into the next decade, and they will help the public understand the importance of our contributions and empower the public to measure our results. These goals complement the Department of the Treasury’s five new strategic goals, which our work supports, including to promote financial stability, fight money laundering, fight anti-competitive actions and improve conditions for competition, transform government financial stewardship, and achieve operational excellence.

SIGTARP’s employees and leadership have an unwavering commitment to fulfilling critical oversight responsibilities. With more than \$5 billion in TARP funds remaining to be spent, SIGTARP continues to root out fraud, waste and abuse.

**Christy Goldsmith Romero**

Special Inspector General for the Troubled Asset Relief Program

## **ABOUT SIGTARP**

### **THE MISSION**

The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) is a federal law enforcement agency and an independent audit watchdog that targets financial institution crime and other fraud, waste, abuse, ineffectiveness and inefficiencies related to TARP.

### **STATUTORY RESPONSIBILITIES**

SIGTARP was established by Section 121 of the Emergency Economic Stabilization Act of 2008 (EESA). Under EESA, the Special Inspector General has the responsibility to conduct, supervise and coordinate audits and investigations related to TARP. The Special Inspector General TARP Act of 2009 gave SIGTARP law enforcement authority. SIGTARP also has certain authorities set forth in Section 6 of the Inspector General Act of 1978.

### **ORGANIZATIONAL STRUCTURE**

SIGTARP has two divisions – investigations and audit or evaluations – as well as operational and support activities.

#### *Investigations*

SIGTARP's investigations over banks related to TARP uncovered a pattern of financial institution fraud from this financial crisis that differed from insider self-dealing fraud that marked the savings and loan crisis. The fraud emerging from this crisis escaped detection from traditional law enforcement fraud identification methods of self-reporting and regulator referrals. SIGTARP created an intelligence-driven approach that led to SIGTARP finding crime by insiders at banks that went previously undetected.

SIGTARP is currently applying its intelligence-driven approach to search for crime in TARP foreclosure prevention programs that continue to spend billions each year. We investigate banks and other financial institutions in the Making Home Affordable program and contractors and others participating in the Hardest Hit Fund.

Our special agents have the authority to search, seize, and arrest. When they and our attorneys and analysts build a strong case against an individual or company, SIGTARP then works with the Justice Department, state prosecutors, or local prosecutors to take the case to trial.

### *Audits & Evaluations*

SIGTARP conducts audits and evaluations of TARP foreclosure prevention programs: The Hardest Hit Fund and Making Home Affordable Programs. The Department of the Treasury did not set up the Hardest Hit Fund as a grant program but treats it as such. The fact that the program is not a grant increases risk to taxpayers because the standard federal regulations and rules do not apply to protect the government or taxpayers. In Making Home Affordable, Treasury pays banks and other financial institutions to administer the program. Some of these institutions have a track record of violating the law related to consumers—increasing the risk to the program.

SIGTARP auditors and evaluators assist Treasury in these efforts by auditing and evaluating those institutions, agencies, contractors and others in TARP to determine identify and prevent fraud, waste, and abuse, and inefficiencies and effectiveness.

## **STAKEHOLDERS**

SIGTARP's stakeholders include first and foremost Americans that fund TARP. Stakeholders also include Congress and its staff; the U.S. Department of Justice, U.S. attorney's offices, and other federal, state, and local law enforcement agencies; the Secretary of the Treasury and other department officials; and bank regulators. SIGTARP seeks input from its stakeholders in planning its work, considers all requests, and welcomes feedback.

On a quarterly basis, Congress and the public receive reports on the progress of SIGTARP. The Special Inspector General regular meets with members of Congress and staff.

## GOALS

Our goals form the foundation of this plan and are designed to guide SIGTARP in performing work that will achieve our mission: protecting the interest of the American people.

### **GOAL #1: Justice**

*Protect Americans through law enforcement's fight against TARP-related crime*

As a law enforcement office with 85 percent of our resources focused on criminal investigations, SIGTARP brings justice and accountability in the fight against TARP-related crime. We recognize that financial crimes are not victimless crimes.

At SIGTARP, our priorities include investigations of:

- Financial institution misconduct in the Making Home Affordable program, including the Home Affordable Modification Program (HAMP). Treasury will spend up to \$1.9 billion in HAMP through mid-2023.
- The Blight Elimination Program, which has expanded by 1,500% since creation.
- Bankers who SIGTARP investigated that the Justice Department is prosecuting for crimes at TARP banks.

### **GOAL #2: Impact**

*Assess, understand, and counter the most serious risks, threats, and challenges to TARP*

This goal embraces risk analysis. TARP and its risks continue to evolve. To continue to be successful so must SIGTARP. That's why we identify the most serious challenges and threats facing the government in TARP and prioritize our oversight accordingly. Our selection of threats and challenges is based on their significance, duration, the risk of fraud or other crimes, waste or abuse, the impact on agencies in addition to Treasury, and Treasury's progress in mitigating the threat or challenge.

Current challenges include:

- Risk of Fraud, Waste, and Abuse by Large Banks and Others in the Making Home Affordable Program (Through FY 2023)
- Risk of Waste and Misuse of TARP Dollars by State Agencies for Their Own Administrative Expenses in the Hardest Hit Fund (Until FY 2022)
- Risk of Corruption, Antitrust Violations, Price Fixing, Fraud, and Abuse in the Hardest Hit Fund Blight Elimination Program (Until FY 2022)
- No Complete List or Data Identifying All Contractors and Others Doing Work in the Blight Elimination Program and What They Were Paid (FY 2022)

### **GOAL #3: Innovation**

*Expand the use of technology, virtual information sharing, and data analytics to increase the expedited identification of TARP-related crime, fraud, waste, and abuse*

Innovation was necessary for our past record of successes and will continue to be critical for our future oversight. SIGTARP developed an intelligence-based method to find previously undetected crime. Now we are building on those same techniques using technology and data mining to find crime in the housing and demolition industries. TARP remains large: billions are spent each year, with thousands of recipients receiving taxpayer funds. Innovation is required to make an impact.

### **GOAL #4: Stewardship**

*Ensure TARP programs and oversight proceed responsibly and transparently*

SIGTARP is a watchdog for Americans; here to ensure that TARP programs operate and spend responsibly. We follow the same standard for our spending. We also seek to recover dollars lost to fraud, waste, and abuse. Every year recoveries from SIGTARP work far exceeds our budget. Our Fiscal Year 2018 budget was \$34 million. During that time, the recoveries from our work were \$314 million—\$160 million of which was returned to the federal government.