



SIGTARP

Office of the Special Inspector General
For The Troubled Asset Relief Program

MEMORANDUM FOR: The Honorable Steven Mnuchin
Secretary of the Treasury

FROM: The Honorable Christy Goldsmith Romero
Special Inspector General for the Troubled Asset Relief Program

DATE: October 16, 2017

SUBJECT: Engagement Memorandum – Audit of Hardest Hit Fund Travel,
Conferences, and Other Administrative Expenses Charged to
TARP

SIGTARP's Audit Mission:

SIGTARP audits and evaluates TARP programs to prevent fraud, and identify cost savings, wasteful spending, abuse, inefficiency, and mismanagement. This includes conducting oversight over TARP's Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets ("Hardest Hit Fund").

Newly Announced Audit:

Based on concerns raised by Chairman Charles Grassley, SIGTARP previously initiated an audit which resulted in our August 25, 2017 report finding nearly \$3 million wasted or unnecessary spending of TARP dollars by state agencies participating in the Hardest Hit Fund. That audit focused on certain categories of expenses.

At Chairman Grassley's request, SIGTARP is now initiating an audit to continue its review of the \$742 million spent by the Hardest Hit Fund state agencies on administrative expenses. This audit will focus on travel, conferences, and other TARP charges by the state agencies.

As always, please feel free to contact me at any time.