U.S. ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF INSPECTOR GENERAL

Report on the Quality Assessment Review of the Investigative Operations of the Special Inspector General for the Troubled Asset Relief Program

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
INSPECTOR GENERAL

The Honorable Christy Goldsmith Romero
Special Inspector General for the
Troubled Asset Relief Program
1801 L Street NW
Washington, D.C. 20220

Subject: Report on the Quality Assessment Review of the Investigative Operations of the Special Inspector General for the Troubled Asset Relief Program

Dear Ms. Goldsmith Romero:

We have reviewed the system of internal safeguards and management procedures for the investigative operations of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) in effect for the period October 1, 2015, through September 30, 2018. Our review was conducted in conformity with the Quality Standards for Investigations and the Quality Assessment Review Guidelines established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

We reviewed compliance with the SIGTARP's system of internal policies and procedures to the extent we considered appropriate. We conducted our review at two field locations. (Enclosure 1) Additionally, we sampled 20 case files for investigations closed during the period under review.

In performing our review, we considered the Attorney General's Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority and Section 6(e) of the Inspector General Act of 1978, as amended. These documents authorize law enforcement powers for eligible personnel in each of the various offices that have presidentially appointed Inspectors General. Law enforcement powers may be exercised only for activities authorized by the Inspector General Act, other statutes, or as expressly authorized by the Attorney General.

In our opinion, the system of internal safeguards and management procedures for the investigative function of SIGTARP in effect for the period October 1, 2015, through September 30, 2018, is in compliance with the quality standards established by CIGIE and the applicable Attorney General guidelines. These safeguards and procedures provide reasonable assurance of conforming to professional standards in the planning, execution and reporting of its investigations and in the use of law enforcement powers.

We appreciate the courtesies and cooperation of your staff during this review. In particular, we appreciate the high level of preparation your office had made in advance of our team's arrival, which greatly assisted the team in its review. If you have any questions, please contact Craig Ulmer, acting Assistant Inspector General for Investigations, at (202) 566-0943.

Sincerely,

Charles J. Sheehan

Charles J. Sheehan
Deputy Inspector General

Enclosures
1. List of Field Offices Visited
2. List of Closed Investigative Files Reviewed

Enclosure 1

List of Field Offices Visited

Office Location	No. of Personnel Interviewed
Atlanta, Georgia	2
New York, New York	3

Enclosure 2

List of Closed Investigative Files Reviewed

Case Number	Closed Date
I-DC-17-007	08/08/2018
I-DC-14-066	07/14/2017
I-SF-14-065	12/01/2016
I-NY-16-023	02/28/2018
I-CF-14-041	12/13/2017
I-DC-16-021	04/12/2018
I-NY-15-010	04/04/2017
I-DC-14-025	04/25/2017
I-AT-17-010	07/17/2018
I-SF-16-007	01/04/2018
I-SF-14-012	08/22/2016
I-NY-17-021	03/27/2018
I-DC-15-015	05/19/2017
I-DC-15-009	07/16/2018
I-AT-16-017	06/01/2017
I-CF-12-002	12/13/2017
I-DC-14-028	05/04/2017
I-NY-18-002	09/21/2018
I-LA-11-004	06/02/2017
I-LA-13-024	07/18/2017

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
INSPECTOR GENERAL

MAY 07 2019

Thomas Jankowski
Deputy Special Inspector General
Special Inspector General for the
Troubled Asset Relief Program
1801 L Street NW
Washington, D.C. 20220

Subject: Letter of Observations Following the Report on the Quality Assessment Review of the Investigative Operations of the Special Inspector General for the Troubled Asset Relief Program

Dear Mr. Jankowski:

This is a supplement to our Report on the Quality Assessment Review of the Investigations Division of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP).

In addition to reporting a rating of compliant, the peer review team identified two "Best Practices" or similar notable positive attributes of your investigative operations. Specifically, our team identified the following best practices:

- SIGTARP's electronic case management system (ECMS) has been specifically designed to ensure that agents enter required information and documents that will ultimately be placed in the paper file, which is SIGTARP's official system record. The ECMS helps ensure that each case file has the appropriate documentation to meet legal and Council of the Inspectors General on Integrity and Efficiency requirements. This ensures that by the time the case file arrives at SIGTARP's Operations Division upon closure, the quality review process conducted by the Operations Division requires minimal time. Additionally, it made reviewing the case files a simple and quick process by our Quality Assessment Review team.

- SIGTARP's Investigations Division ensures that the Federal Bureau of Investigation (FBI) is notified within the required 30-day timeframe for all new subjects/investigations. This is accomplished through the Investigations Division notifying FBI Headquarters directly with all new information within the 30-day timeframe. One of the most common issues that is identified during these Quality Assessment Reviews is FBI letters that were sent late or not at all. SIGTARP's process ensures that this does not happen.

In addition to reporting a rating of compliant, the Quality Assessment Review team had identified one area for improvement, relative to SIGTARP's New York, New York, office's storage of evidence. The storage for evidence in the New York office did not match the standard operating procedures for

SIGTARP as described in SIGTARP's Chapter 8. Specifically, the review team identified that the office lacked a separate room, cage or secured container(s) to store its evidence. The evidence was stored on shelves in a general room that also contained items such as ammunition, equipment, excess weapons and records. The room was alarmed and access was limited to specific staff, including special agents, but the access to the evidence was not limited to just the evidence custodian and alternate custodian. The evidence was properly marked and sealed, but the office did not maintain a hard copy of paper evidence access log to track information such as time in and out, evidence added, and evidence removed. On April 11, 2019, the SIGTARP Investigations Division notified our team that the New York office had since moved its evidence into a General Services Administration safe within the general room to which only the evidence custodians have access. Additionally, the New York office placed a log on top of the safe to document when custodians go in and out of the safe. This process now conforms with SIGTARP's standard operating procedures.

We appreciate the cooperation and courtesies extended to us by your staff during our assessment of your operations. If you have any questions, please contact me at (202) 566-0943.

Sincerely,

Craig W. Ulmer

Craig Ulmer
Acting Assistant Inspector General for
Investigations

UNITED STATES RAILROAD RETIREMENT BOARD

OFFICE OF INSPECTOR GENERAL

System Review Report

October 30, 2018

The Honorable Christy Goldsmith Romero
Special Inspector General
Troubled Asset Relief Program
1801 L Street, NW, 4th Floor
Washington, DC 20220

Dear Ms. Goldsmith Romero:

We have reviewed the system of quality control for the audit organization of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) in effect for the year ended March 31, 2018. A system of quality control encompasses SIGTARP's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with *Government Auditing Standards*. The elements of quality control are described in *Government Auditing Standards*. SIGTARP is responsible for establishing and maintaining a system of quality control that is designed to provide SIGTARP with reasonable assurance that the organization and its personnel comply with professional standards and applicable legal and regulatory requirements in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and SIGTARP's compliance therewith based on our review.

Our review was conducted in accordance with *Government Auditing Standards* and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) *Guide for Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspector General*. During our review, we interviewed SIGTARP personnel and obtained an understanding of the nature of SIGTARP's audit organization and the design of SIGTARP's system of quality control sufficient to assess the risks implicit in its audit organization. Based on our assessments, we selected audits and administrative files to test for conformity with professional standards and compliance with SIGTARP's system of quality control. The audits selected represented a reasonable cross-section of SIGTARP's audit organization, with emphasis on higher-risk audits. Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with SIGTARP management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the SIGTARP's audit organization. In addition, we tested compliance with SIGTARP's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of SIGTARP's policies and procedures on selected audits. Our review was based on selected tests; therefore, it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it.

There are inherent limitations in the effectiveness of any system of quality control, and, therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

Enclosure 1 to this report identifies the SIGTARP offices that we visited and the audits that we reviewed.

In our opinion, the system of quality control for the audit organization of SIGTARP in effect for the year ended March 31, 2018, has been suitably designed and complied with to provide SIGTARP with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Audit organizations can receive a rating of *pass, pass with deficiencies*, or *fail.* SIGTARP has received an External Peer Review rating of *pass.*

Sincerely,

Martin J. Dickman
Inspector General

Enclosures

Scope and Methodology

We tested compliance with SIGTARP audit organization's system of quality control to the extent we considered appropriate. These tests included a review of all three audit reports issued during the period April 1, 2017, through March 31, 2018, and quarterly reporting periods corresponding to that timeframe. We also reviewed internal quality control reviews performed by SIGTARP.

We visited the SIGTARP's office located in Washington, D.C.

Reviewed Audits Performed by SIGTARP:

Report No.	Report Date	Report Title
17-002	August 25, 2017	Unnecessary Expenses Charged to the Hardest Hit Fund
18-001	October 13, 2017	Mismanagement of the Hardest Hit Fund in Georgia
18-003	March 8, 2018	The Hardest Hit Fund Lacks Standard Federal Requirements for Completion

Enclosure 2

OFFICE OF THE SPECIAL INSPECTOR GENERAL
FOR THE TROUBLED ASSET RELIEF PROGRAM
1801 L STREET, NW
WASHINGTON, D.C. 20220

OCT 25 2018

The Honorable Martin J. Dickman
Inspector General
Office of Inspector General
U.S. Railroad Retirement Board
844 North Rush Street
Chicago, IL 60611

Dear Inspector General Dickman:

Thank you for the opportunity to respond to the draft System Review Report that we received for the Audit and Evaluation Division of the Office of the Special Inspector General for the Troubled Asset Relief Program ("SIGTARP"). First I would like to thank you and your peer review team for your professionalism. The peer review process is an important facet of an audit organization's quality control efforts. I am pleased that your independent review of our audit operations resulted in a "pass" rating and concluded that the system of quality control for SIGTARP for the year ended March 31, 2018, was suitably designed and complied with to provide SIGTARP with reasonable assurance of reporting in conformity with applicable professional standards in all material respects. Therefore, we have no additional comments to your draft report.

Sincerely,

Christy Goldsmith Romero
Special Inspector General