



SIGTARP

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

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SIGTARP RECEIVES AWARD OF EXCELLENCE FOR OVERSIGHT OF THE HARDEST HIT FUND IN NEVADA

The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) today announced that its audit team was recognized for finding that the contractor managing Nevada's Hardest Hit Fund wasted and abused \$8.2 million in TARP funds. The audit award for excellence was given by the Council of the Inspectors General on Integrity and Efficiency, an independent organization that addresses integrity, economic, and effectiveness issues within the federal government.

"When TARP dollars are wasted and abused, taxpayers don't get their money's worth and important program goals are put at risk," said Christy Goldsmith Romero, Special Inspector General for TARP. "I am extremely proud of the SIGTARP audit team for uncovering this wrongdoing. They found that the Nevada Affordable Housing Assistance Corporation (NAHAC), the contractor selected by the Nevada Housing Division to manage Hardest Hit Fund, used the program as a cash cow for every expense imaginable while all but stopping admitting new homeowners. That is the textbook definition of waste and abuse."

SIGTARP's findings included:

- A \$500 per month car allowance for the CEO who drove a Mercedes Benz;
- A \$20,000 severance package for a terminated CEO;
- More than \$15,000 for employee bonuses, gifts, holiday parties, a manager outing at a high-end cocktail bar, gift cards, and regular staff breakfasts and lunches;
- More than \$160,000 in block-billed legal fees, and costs for a private investigator;
- Nearly \$40,000 for auditors to clean up the contractor's books; and
- More than \$100,000 in moving fees, excessive rent, and lawyers' fees to move to nicer office space only to break the lease and move out less than a year later.

In 2015, when much of the wasteful and abuse spending occurred, NAHAC kept almost one HHF dollar for every HHF dollar it distributed to homeowners. It only approved 117 homeowners out of 688 applications.

As part of its audit, SIGTARP made 31 recommendations to the Department of the Treasury, including that Treasury and the Nevada state housing finance agency remove the contractor from further work in connection with the TARP-funded HHF program. The report also provides a roadmap for SIGTARP's ongoing audit work related to the use of HHF by other state agencies to pay their administrative expenses.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) is a federal law enforcement agency that targets financial institution crime and is an independent watchdog protecting taxpayer dollars. SIGTARP investigations have resulted in the recovery of \$10 billion and 237 defendants sentenced to prison.

To report a suspected crime related to TARP, call SIGTARP's Crime Tip Hotline: 1-877-744-2009. To receive alerts about reports, audits, media releases, and other SIGTARP news, sign up at www.SIGTARP.gov. Follow SIGTARP on Twitter @SIGTARP.

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