According to the Department of Treasury, TARP’s Making Home Affordable (MHA) is terminated and the Hardest Hit Fund (HHF) is nearly concluded. However, SIGTARP reporting based on program data, which Congress required by law to ensure transparency and aid in decision-making, reveals a key truth: spending continues because the programs are continuing. SIGTARP remains on watch.

In Fiscal Year 2019, MHA and HHF had significant operations and spent more than $1.7 billion. Non-federal entities control program operations and program pace, and these TARP dollars represent sizeable dollars to these entities. While Treasury talks about programs ending, it is actually extending and expanding them, which is a repeated pattern. In FY 2019, it pushed the end date of MHA (HAMP program) until March 2024. And just this month, Treasury increased future blight demolitions by 450. This is in addition to the expected 8,000 future demolitions that state agencies informed SIGTARP about in September.

The pattern of Treasury extending and expanding TARP programs means that TARP has existed much longer than Congress and the American taxpayers expected. Significant TARP activity this year includes:

**Making Home Affordable:** HAMP continues today in “steady state” with nearly 800,000 people receiving mortgage modifications in all 50 states and U.S. territories. Through March 2024, Treasury will pay billions of TARP dollars to more than 120 financial institutions, including Ocwen, Wells Fargo, Bank of America, JP Morgan Chase, Citigroup, and Nationstar. TARP payments are not automatic. The participating institutions make decisions and take actions that must comply with Treasury rules and other laws and regulations – decisions and actions that require oversight and law enforcement.

**The Hardest Hit Fund:** Treasury told us by letter in March 2018 that TARP’s Hardest Hit Fund was nearly concluded, pointing to disbursements of 91% of the funds. But disbursing money is not spending money, which is where the risk of fraud, waste, and abuse is greatest. Recent program data tells the real story of significant program operations: 40 programs remain open to applicants in addition to programs that continue to pay assistance to existing participants. So it’s actually not surprising that there were more TARP-funded demolitions of blighted houses and apartment buildings this year (8,291) than any past year, and that 58% of all new homebuyers receiving down payment assistance occurred in the last two years. Just this past year, more than 29,000 new borrowers came into the program, and state agencies spent nearly $60 million on administrative expenses, outreach and counseling. TARP programs will continue. When SIGTARP talked in September to seven state agencies that conduct blight demolitions about their wind down plans, we found that most did not have written plans. Those with written plans included deadlines that had already expired or were moving targets.

---

1. Only the MHA application period is terminated, not the program. Treasury reported on November 28, 2016 in a Citizens Report, "Homeowners will be able to apply for MHA assistance through December 30, 2017, and servicers will evaluate applications with the goal of completing the work by December 30, 2017, at which point the program will enter a steady state to pay the incentives on modifications that remain current."

2. By analogy, Treasury disbursed 100% of TARP dollars to banks by 2010, but the two TARP bank programs stayed open as long as there were banks in the program, and SIGTARP’s subsequent investigations have led to the convictions of 92 bankers, 76 of them sentenced to prison by courts. One of the TARP bank programs remains open today.
SIGTARP’s Recent Investigations and Audits

SIGTARP spends 85 percent of its resources on law enforcement, and enforcement always lags program activity. In Fiscal Year 2019, SIGTARP investigations resulted in approximately $900 million recovered, criminal charges against 13 defendants, 4 arrests, criminal convictions of 18 defendants, courts sentencing 28 defendants to prison, and federal criminal or civil enforcement activity against 3 corporations/organizations.

In the last six months, SIGTARP has opened additional investigations into financial institutions participating in MHA and receiving TARP dollars. We referred some of these confidential investigations to the Department of Justice. We also continue to obtain convictions and sentencings of defendants who defrauded homeowners with false promises of entry into the program, (including some who claimed affiliation with the government), and defendants who defrauded banks (including bank insiders).

In the Hardest Hit Fund, our primary investigative focus is corruption through bribery related to the bidding or awarding of contracts for TARP-funded blight demolition. In the last six months, SIGTARP’s bribery investigations have resulted in the conviction and prison sentencing of the Detroit city official in charge of contracts for HHF’s blight demolition program. Our investigations also resulted in the conviction for bribery of an official from one of the largest demolition contractors in the Detroit HHF program. We also continue to investigate homeowners who defrauded the program, obtaining criminal charges and convictions. Our recent audits focused on preventing fraud, waste and abuse. One warned Treasury about a lack of fraud controls that led to more than $437,000 in payments to California homeowners who lost eligibility but continued receiving TARP payments for years.

On a final note, approximately $900 million recovered from SIGTARP’s work this year represents a 39 times annual return on investment from our $23 million budget. This is not rare for us. Every year, recoveries far exceed our budget. However, we continue to face significant annual budget reductions that substantially impair our ability to fulfill our Congressionally-mandated mission. I appreciate Congress’ support for our oversight – oversight that maintains the integrity of TARP, and brings transparency, accountability and justice.

Respectfully,

CHRISTY GOLDSMITH ROMERO
Special Inspector General
SIGTARP CONDUCTS OVERSIGHT OF TARP HOUSING PROGRAMS AT RISK OF FRAUD, WASTE, AND ABUSE
MORE THAN $1.7 BILLION WAS SPENT IN FY2019

The Making Home Affordable (MHA) program pays servicers and investors to lower payments for homeowners at risk of foreclosure. $20.7 billion has been spent, including $1.12 billion in FY2019. Up to $2.8 billion is available to be spent into FY2024.

The Hardest Hit Fund (HHF) helps Americans pay their mortgages. It also pays to demolish homes and for down payments for homebuyers. Through June FY2019, $9.19 billion has been spent, including $574 million in FY2019. $791 million is available to be spent into FY2022.

– Recipients include –

JPMorgan Chase & Co.
Citi Mortgage
Bank of America
Wells Fargo
Nationstar
SPS Select Portfolio Servicing, Inc.
CIT Bank
OneWest Bank

– Recipients have included –

19 state agencies
378 cities or counties and 507 local partners
More than 1,700 demolition contractors
Homeowners & homebuyers
SIGTARP

SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM
SEMIANNUAL REPORT TO CONGRESS I APRIL 1, 2019 – SEPTEMBER 30, 2019

SIGTARP AUDITS IDENTIFY FRAUD, WASTE AND ABUSE, AND DETER FUTURE WRONGDOING

Nevada's Hardest Hit Fund wasted $8.2 million while all but stopping admitting new homeowners
$3 million in Hardest Hit Fund administrative expenses were squandered by state housing agencies
Mortgage servicers have wrongfully terminated homeowners out of the Home Affordable Modification Program
The average cost of demolitions in Michigan and Ohio have skyrocketed in the last few years

RECENT FINDINGS

Georgia mismanaged the state's Hardest Hit Fund, failing to meet the urgent needs of Georgian homeowners and wasting $18.6 million
Blight demolition program faces asbestos exposure, illegal dumping and contaminated soil risks
Most of the Hardest Hit Fund has no federal competition requirements for contract awards

Hardest Hit Fund travel and conference expenses
Blight demolition greening and maintenance activities
Blight demolition activities in South Carolina

As of September 30, 2019 | Convictions include four vacated due to death or cooperation | Charges are not evidence of guilt | Many defendants await trial and sentencing

Return on investment based on SIGTARP's annual budget 2010 – 2019

SIGTARP

BY THE NUMBERS

INVESTIGATIONS

31X

Return on Investment

$11 Billion =

Recovered from Investigations

Criminally Charged
Convicted
Sentenced to Prison

430
373
291

Including

Criminally Charged
Convicted
Sentenced to Prison

93
373
291

Homeowner Scammers
Bank Borrowers
Bankers

As of September 30, 2019 | Convictions include four vacated due to death or cooperation | Charges are not evidence of guilt | Many defendants await trial and sentencing
Return on investment based on SIGTARP's annual budget 2010 – 2019
SIGTARP investigations have led to enforcement actions against TWENTY FOUR institutions.
<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investigative Recoveries</td>
<td>$899.2 Million</td>
</tr>
<tr>
<td>Indictments/Informations</td>
<td>13</td>
</tr>
<tr>
<td>Arrests</td>
<td>4</td>
</tr>
<tr>
<td>Convictions</td>
<td>18</td>
</tr>
<tr>
<td>Sentenced to Prison</td>
<td>28</td>
</tr>
<tr>
<td>Prosecutorial Referrals</td>
<td>26</td>
</tr>
<tr>
<td>Justice Department Referrals</td>
<td>24</td>
</tr>
<tr>
<td>State and Local Referrals</td>
<td>2</td>
</tr>
<tr>
<td>Prosecutor Declinations</td>
<td>4</td>
</tr>
<tr>
<td>Hotline Complaints</td>
<td>63</td>
</tr>
</tbody>
</table>
SIGTARP'S OVERSIGHT OF MAKING HOME AFFORDABLE AND HOME AFFORDABLE MODIFICATION PROGRAMS
Our top law enforcement priority is unlawful conduct by any of the more than 150 banks and other financial institutions who Treasury has already paid billions or millions of TARP dollars in HAMP. This critical law enforcement is necessary to bring justice and safeguard the approximately $2.8 billion Treasury is committed or obligated to pay in the future.

-Special Inspector General Goldsmith Romero

SIGTARP currently has open confidential investigations into financial institutions participating in the $23 billion MHA and HAMP programs. SIGTARP is actively working with the U.S. Attorney Offices and the Department of Justice in Washington, D.C. on these investigations. SIGTARP is not able to share information about these investigations with Congress until information becomes public.
## TARP SPENDING IN THE MAKING HOME AFFORDABLE PROGRAM

<table>
<thead>
<tr>
<th>Servicer</th>
<th>TARP Dollars Paid</th>
<th>TARP Obligated or Committed to be Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>JPMorganChase</td>
<td>$2.2 Billion</td>
<td>$218 Million</td>
</tr>
<tr>
<td>Bank of America</td>
<td>$1.6 Billion</td>
<td>$152 Million</td>
</tr>
<tr>
<td>SPS Select Portfolio Servicing, Inc.</td>
<td>$1.5 Billion</td>
<td>$338 Million</td>
</tr>
<tr>
<td>Nationstar Mortgage</td>
<td>$1 Billion</td>
<td>$340 Million</td>
</tr>
<tr>
<td>citiMortgage</td>
<td>$360 Million</td>
<td>$69 Million</td>
</tr>
<tr>
<td>CIT Bank, OneWest Bank</td>
<td>$438 Million</td>
<td>$22 Million</td>
</tr>
<tr>
<td>Bayview Loan Services</td>
<td>$345 Million</td>
<td>$68 Million</td>
</tr>
<tr>
<td>Specialized Loan Servicing</td>
<td>$1.7 Billion</td>
<td>$107 Million</td>
</tr>
<tr>
<td>Other Servicers (144 Institutions)*</td>
<td>$1.6 Billion</td>
<td>$457 Million</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$2.8 Billion</td>
<td></td>
</tr>
</tbody>
</table>

Source: SIGTARP’s September 23, 2019 analysis of Treasury’s most recent MHA data; Treasury, Aggregate Cap Monitoring Report - September 2019; SIGTARP analysis of Treasury MHA data. A total of 154 institutions have been paid or Treasury is committed or obligated to pay future TARP funds through MHA, of which 127 will still receive TARP disbursements subsequent to 9/27/2019.
## FY2019 MHA SPENDING: $1.12 BILLION IN TARP TO 74 FINANCIAL INSTITUTIONS

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ocwen Loan Servicing, LLC</td>
<td>$289,881,530</td>
</tr>
<tr>
<td>2</td>
<td>Select Portfolio Servicing, Inc.</td>
<td>$155,202,082</td>
</tr>
<tr>
<td>3</td>
<td>Wells Fargo Bank, N.A.</td>
<td>$131,511,964</td>
</tr>
<tr>
<td>4</td>
<td>Nationstar Mortgage, LLC</td>
<td>$128,888,273</td>
</tr>
<tr>
<td>5</td>
<td>JPMorgan Chase Bank, N.A.</td>
<td>$101,128,327</td>
</tr>
<tr>
<td>6</td>
<td>Bank of America, N.A.</td>
<td>$59,368,348</td>
</tr>
<tr>
<td>7</td>
<td>Specialized Loan Servicing LLC</td>
<td>$57,959,210</td>
</tr>
<tr>
<td>8</td>
<td>MidFirst Bank</td>
<td>$34,095,956</td>
</tr>
<tr>
<td>9</td>
<td>Carrington Mortgage Services, LLC</td>
<td>$30,774,389</td>
</tr>
<tr>
<td>10</td>
<td>CitiMortgage, Inc.</td>
<td>$19,042,760</td>
</tr>
<tr>
<td>11</td>
<td>Rushmore Loan Management Services LLC</td>
<td>$17,685,143</td>
</tr>
<tr>
<td>12</td>
<td>Bayview Loan Servicing LLC</td>
<td>$15,820,674</td>
</tr>
<tr>
<td>13</td>
<td>NewRez LLC D/B/A Shellpoint Mortgage Servicing</td>
<td>$14,432,960</td>
</tr>
<tr>
<td>14</td>
<td>Ditech Financial LLC</td>
<td>$14,140,467</td>
</tr>
<tr>
<td>15</td>
<td>Fay Servicing, LLC</td>
<td>$11,164,407</td>
</tr>
<tr>
<td>16</td>
<td>U.S. Bank National Association</td>
<td>$8,777,892</td>
</tr>
<tr>
<td>17</td>
<td>National City Bank</td>
<td>$5,258,483</td>
</tr>
<tr>
<td>18</td>
<td>CIT Bank, N.A.</td>
<td>$5,134,357</td>
</tr>
<tr>
<td>19</td>
<td>M&amp;T Bank</td>
<td>$2,763,469</td>
</tr>
<tr>
<td>20</td>
<td>Selene Finance LP</td>
<td>$2,547,731</td>
</tr>
<tr>
<td>21</td>
<td>PennyMac Loan Services, LLC</td>
<td>$2,140,064</td>
</tr>
<tr>
<td>22</td>
<td>Gregory Funding LLC</td>
<td>$1,528,825</td>
</tr>
<tr>
<td>23</td>
<td>Banco Popular de Puerto Rico</td>
<td>$1,323,256</td>
</tr>
<tr>
<td>24</td>
<td>Planet Home Lending, LLC</td>
<td>$1,077,010</td>
</tr>
<tr>
<td>25</td>
<td>Navy Federal Credit Union</td>
<td>$1,045,404</td>
</tr>
<tr>
<td>26</td>
<td>21st Mortgage Corporation</td>
<td>$958,829</td>
</tr>
<tr>
<td>27</td>
<td>Citizens Bank, N.A.</td>
<td>$595,693</td>
</tr>
<tr>
<td>28</td>
<td>Servis One, Inc. dba BSI Financial Services</td>
<td>$529,219</td>
</tr>
<tr>
<td>29</td>
<td>SN Servicing Corporation</td>
<td>$528,034</td>
</tr>
<tr>
<td>30</td>
<td>Flagstar Capital Markets Corporation</td>
<td>$411,127</td>
</tr>
<tr>
<td>31</td>
<td>Caliber Home Loans, Inc.</td>
<td>$397,476</td>
</tr>
<tr>
<td>32</td>
<td>Apex Bank</td>
<td>$187,668</td>
</tr>
<tr>
<td>33</td>
<td>FNF Servicing, Inc.</td>
<td>$184,801</td>
</tr>
<tr>
<td>34</td>
<td>PNC Bank, National Association</td>
<td>$174,050</td>
</tr>
<tr>
<td>35</td>
<td>RoundPoint Mortgage Servicing Corporation</td>
<td>$121,285</td>
</tr>
<tr>
<td>36</td>
<td>The Golden 1 Credit Union</td>
<td>$114,245</td>
</tr>
<tr>
<td>37</td>
<td>Mortgage Center LLC</td>
<td>$103,714</td>
</tr>
</tbody>
</table>

Source: SIGTARP’s September 23, 2019 analysis of Treasury’s most recent MHA data; Treasury, Aggregate Cap Monitoring Report - September 2019
<table>
<thead>
<tr>
<th></th>
<th>Name of Company</th>
<th>TARP $ Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>38</td>
<td>Kondaur Capital Corporation</td>
<td>103,107</td>
</tr>
<tr>
<td>39</td>
<td>Addition Federal Credit Union</td>
<td>81,065</td>
</tr>
<tr>
<td>40</td>
<td>James B. Nutter and Company</td>
<td>71,387</td>
</tr>
<tr>
<td>41</td>
<td>Maryland Community Development Administration</td>
<td>65,415</td>
</tr>
<tr>
<td>42</td>
<td>Umpqua Bank</td>
<td>63,115</td>
</tr>
<tr>
<td>43</td>
<td>FCI Lender Services, Inc.</td>
<td>49,239</td>
</tr>
<tr>
<td>44</td>
<td>OFG Bancorp</td>
<td>46,385</td>
</tr>
<tr>
<td>45</td>
<td>First Bank</td>
<td>44,582</td>
</tr>
<tr>
<td>46</td>
<td>Statebridge Company, LLC</td>
<td>38,354</td>
</tr>
<tr>
<td>47</td>
<td>BMO Harris Bank, N.A.</td>
<td>36,298</td>
</tr>
<tr>
<td>48</td>
<td>Matrix Financial Services Corp.</td>
<td>31,526</td>
</tr>
<tr>
<td>49</td>
<td>Mission Federal Credit Union</td>
<td>29,988</td>
</tr>
<tr>
<td>50</td>
<td>BB&amp;T</td>
<td>25,837</td>
</tr>
<tr>
<td>51</td>
<td>Greater Nevada LLC, dba Greater Nevada Mortgage</td>
<td>24,725</td>
</tr>
<tr>
<td>52</td>
<td>OwnersChoice Funding, Inc.</td>
<td>23,469</td>
</tr>
<tr>
<td>53</td>
<td>KeyBank National Association</td>
<td>20,000</td>
</tr>
<tr>
<td>54</td>
<td>ORNL Federal Credit Union</td>
<td>15,948</td>
</tr>
<tr>
<td>55</td>
<td>Lake City Bank</td>
<td>15,000</td>
</tr>
<tr>
<td>56</td>
<td>Idaho Housing and Finance Association</td>
<td>15,000</td>
</tr>
<tr>
<td>57</td>
<td>Guardian Mortgage Company, Inc.</td>
<td>14,710</td>
</tr>
<tr>
<td>58</td>
<td>Fidelity Bank</td>
<td>14,587</td>
</tr>
<tr>
<td>59</td>
<td>BankUnited, N.A.</td>
<td>14,487</td>
</tr>
<tr>
<td>60</td>
<td>Santander Bank, N.A.</td>
<td>13,645</td>
</tr>
<tr>
<td>61</td>
<td>California Housing Finance Agency</td>
<td>12,285</td>
</tr>
<tr>
<td>62</td>
<td>Pathfinder Bank</td>
<td>11,856</td>
</tr>
<tr>
<td>63</td>
<td>Columbia Bank</td>
<td>10,674</td>
</tr>
<tr>
<td>64</td>
<td>Technology Credit Union</td>
<td>10,286</td>
</tr>
<tr>
<td>65</td>
<td>SunTrust Bank</td>
<td>10,000</td>
</tr>
<tr>
<td>66</td>
<td>United Bank Mortgage Corporation</td>
<td>10,000</td>
</tr>
<tr>
<td>67</td>
<td>Great Lakes Credit Union</td>
<td>9,798</td>
</tr>
<tr>
<td>68</td>
<td>Los Alamos National Bank</td>
<td>5,141</td>
</tr>
<tr>
<td>69</td>
<td>Desjardins Bank</td>
<td>5,000</td>
</tr>
<tr>
<td>70</td>
<td>Hillsdale County National Bank</td>
<td>5,000</td>
</tr>
<tr>
<td>71</td>
<td>IC Federal Credit Union</td>
<td>5,000</td>
</tr>
<tr>
<td>72</td>
<td>Florida Community Bank, N.A.</td>
<td>5,000</td>
</tr>
<tr>
<td>73</td>
<td>DuPage Credit Union</td>
<td>2,174</td>
</tr>
<tr>
<td>74</td>
<td>New Jersey Housing and Mortgage Finance Agency</td>
<td>167</td>
</tr>
</tbody>
</table>

TARP $ Spent in FY2019: $1,117,934,532

Source: SIGTARP’s September 23, 2019 analysis of Treasury’s most recent MHA data; Treasury, Aggregate Cap Monitoring Report - September 2019
### 80 Financial Institutions That Previously Received TARP Dollars in MHA

<table>
<thead>
<tr>
<th>Institution Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allstate Mortgage Loans &amp; Investments, Inc</td>
</tr>
<tr>
<td>Ameriana Bank</td>
</tr>
<tr>
<td>Aurora Financial Group, Inc</td>
</tr>
<tr>
<td>Aeon Bank</td>
</tr>
<tr>
<td>Banner Bank</td>
</tr>
<tr>
<td>BridgeLock Capital dba Peak Loan Servicing</td>
</tr>
<tr>
<td>Centar FSB</td>
</tr>
<tr>
<td>Central Pacific Bank</td>
</tr>
<tr>
<td>Cheviot Savings Bank</td>
</tr>
<tr>
<td>Citizens First National Bank</td>
</tr>
<tr>
<td>Colorado Federal Savings Bank</td>
</tr>
<tr>
<td>Community Credit Union of Florida</td>
</tr>
<tr>
<td>Credit Union Mortgage Association, Inc.</td>
</tr>
<tr>
<td>Eastern Bank</td>
</tr>
<tr>
<td>First Citizens Bank &amp; Trust Company</td>
</tr>
<tr>
<td>First Financial Bank N.A.</td>
</tr>
<tr>
<td>First Keystone Bank</td>
</tr>
<tr>
<td>First Merchants Bank</td>
</tr>
<tr>
<td>First Mortgage Corporation</td>
</tr>
<tr>
<td>First National Bank of Pennsylvania</td>
</tr>
<tr>
<td>First State Bank</td>
</tr>
<tr>
<td>Franklin Credit Management Corporation</td>
</tr>
<tr>
<td>Franklin Savings</td>
</tr>
<tr>
<td>Freedom Mortgage Corporation</td>
</tr>
<tr>
<td>Georgia Housing &amp; Finance Authority DBA State Home Mortgage</td>
</tr>
<tr>
<td>Glass City Federal Credit Union</td>
</tr>
<tr>
<td>Guaranty Bank</td>
</tr>
<tr>
<td>Heartland Bank &amp; Trust Company</td>
</tr>
<tr>
<td>HomeServicing, LLC</td>
</tr>
<tr>
<td>HomeStar Bank and Financial Services</td>
</tr>
<tr>
<td>Horicon Bank</td>
</tr>
<tr>
<td>Iberiabank</td>
</tr>
<tr>
<td>IBM Southeast Employees’ Credit Union</td>
</tr>
<tr>
<td>Investors Bank</td>
</tr>
<tr>
<td>iServe Residential Lending, LLC</td>
</tr>
<tr>
<td>Lake National Bank</td>
</tr>
<tr>
<td>Land/Home Financial Services, Inc.</td>
</tr>
<tr>
<td>LegacyTexas Bank</td>
</tr>
<tr>
<td>LenderLive Network, Inc</td>
</tr>
<tr>
<td>MainSource Bank</td>
</tr>
<tr>
<td>Mark Servicing LLC</td>
</tr>
<tr>
<td>Marsh Associates, Inc.</td>
</tr>
<tr>
<td>Midwest Community Bank</td>
</tr>
<tr>
<td>Mortgage Investors Group</td>
</tr>
<tr>
<td>Nationwide Advantage Mortgage Company</td>
</tr>
<tr>
<td>New York Community Bank</td>
</tr>
<tr>
<td>Noble Federal Credit Union</td>
</tr>
<tr>
<td>North American Savings Bank</td>
</tr>
<tr>
<td>Oakland Municipal Credit Union</td>
</tr>
<tr>
<td>Park View Federal Savings Bank</td>
</tr>
<tr>
<td>Plaza Home Mortgage, Inc</td>
</tr>
<tr>
<td>Purdue Federal Credit Union</td>
</tr>
<tr>
<td>Quantum Servicing Corporation</td>
</tr>
<tr>
<td>Quicken Loans, Inc.</td>
</tr>
<tr>
<td>Residential Credit Solutions, Inc.</td>
</tr>
<tr>
<td>Resurgent Capital Services L.P.</td>
</tr>
<tr>
<td>RG Mortgage</td>
</tr>
<tr>
<td>Rockland Trust Company</td>
</tr>
<tr>
<td>Saxon Mortgage Services Inc</td>
</tr>
<tr>
<td>Schools Financial Credit Union</td>
</tr>
<tr>
<td>Scotiabank de Puerto Rico</td>
</tr>
<tr>
<td>Seneca Mortgage Servicing LLC</td>
</tr>
<tr>
<td>ShoreBank</td>
</tr>
<tr>
<td>Silver State Schools Credit Union</td>
</tr>
<tr>
<td>Soris Financial, Inc.</td>
</tr>
<tr>
<td>Sterling Savings Bank</td>
</tr>
<tr>
<td>Stockman Bank of Montana</td>
</tr>
<tr>
<td>The Bryn Maw Trust Co</td>
</tr>
<tr>
<td>TIAA FSB</td>
</tr>
<tr>
<td>Unity Financial Federal Credit Union</td>
</tr>
<tr>
<td>United Bank</td>
</tr>
<tr>
<td>Urban Partnership Bank</td>
</tr>
<tr>
<td>Wallick and Volk</td>
</tr>
<tr>
<td>Webster Bank, N.A.</td>
</tr>
<tr>
<td>Webster First Federal Credit Union</td>
</tr>
<tr>
<td>Webster Bank Inc.</td>
</tr>
<tr>
<td>Wesbanco Bank Inc.</td>
</tr>
<tr>
<td>Wescom Central Credit Union</td>
</tr>
<tr>
<td>Yadkin Valley Bank</td>
</tr>
<tr>
<td>ZB, N.A.</td>
</tr>
</tbody>
</table>

Source: SIGTARP’s September 23, 2019 analysis of Treasury’s most recent MHA data; Treasury, Aggregate Cap Monitoring Report - September 2019
SPECIAL INSPECTOR GENERAL ANNOUNCES EVALUATION OF $23 BILLION MAKING HOME AFFORDABLE PROGRAM

SIGTARP recently announced a new evaluation of the Making Home Affordable (MHA) program. SIGTARP will evaluate Treasury’s and other government public reporting on the program. SIGTARP will also review public reporting by certain participating financial institutions.

SIGTARP audits and evaluates TARP programs to ensure transparency and accountability, and to prevent and identify the risk of fraud, waste, abuse, ineffectiveness, and inefficiency, among other risks that could jeopardize TARP programs. SIGTARP’s continued oversight of Treasury’s TARP housing initiatives, including the over $23 billion MHA program, and its signature program, the Home Affordable Modification Program (HAMP), remains one of our highest priorities.

Treasury launched these housing programs to provide mortgage relief to homeowners and prevent avoidable foreclosures. With nearly 800,000 homeowners in HAMP, it is the largest open TARP program. Treasury paid over $1.12 billion last year to 74 financial institutions and has approximately $2.8 billion available to pay until Fiscal Year 2024.
93 DEFENDANTS WHO DEFRAUDED HOMEOWNERS SENTENCED TO PRISON

SIGTARP’s investigations into the HAMP program have protected consumers seeking access to that program that became the victims of fraud. SIGTARP brought justice to 118 convicted scammers.

Nearly 30,000 Homeowners across all 50 States were Victims of Scammers

Total Victim Households 29,179
Victims with no State listed - 2,845
SIGTARP’S END OF YEAR MHA INVESTIGATIVE RESULTS

Federal Court Sentences Lawyer and Co-Conspirator to Prison for Participating in a Multimillion-Dollar Fraud Scheme, Including Those Seeking Assistance from HAMP

In July 2019, a federal court sentenced lawyer Rajesh Maddiwar to five years in prison, and sentenced Owen Reid to one year and one day in prison for a multimillion-dollar criminal scheme that defrauded New York homeowners in the Bronx, Brooklyn and Queens out of their homes, including those seeking mortgage modifications through TARP’s HAMP program. In May 2015, Amir Meiri, Mario Alvarenga and Maddiwar were indicted. In December 2015, Owen Reid and two co-conspirators were indicted. SIGTARP agents participated in the arrest of Maddiwar, Reid, Alvarenga, H. Meiri and Samantha Boubert. The court sentenced Herzel Meiri and Amir Meiri, the owners of Launch Development, to 10 years in prison, and 5 years in prison respectively.

From 2013 to 2015, Reid and co-conspirators, collectively called the Hillside Fraud Team, targeted distressed homeowners in the New York City area, including the Bronx, Brooklyn, and Queens. The Hillside Fraud Team sent mailers to owners of distressed properties on letterhead of the Homeowners Assistance Services of New York offering foreclosure prevention services. Reid and others trained and directed telemarketers to meet with the homeowners to appeal to the emotions of the homeowners. They developed a script that included in substance, a statement that a short sale would be a means for homeowners to lower their monthly payments and still remain in their home. Many homeowners – some of whom were elderly or in poor health – met with Reid or another member of the Hillside Fraud Team who advised them that they could assist with a loan modification. The homeowners were then told that a loan modification could not be completed, but they could sell the property to Launch Development, and then a relative could repurchase the property within 90 days, with the homeowner staying in the home.

There would then be a closing, where unbeknownst to the homeowner, they were selling their homes to a Hillside Business, often Launch Development. At the closing, the homeowner would meet with lawyer Maddiwar who told the homeowners that he would be their attorney. Maddiwar encouraged homeowners to sign documents that in some cases were blank. The homeowners did not know that they were selling their home to Launch Development for well below market value.

A member of the Hillside Fraud Team typically appeared at the homeowner’s residence and demanded that the homeowner vacate the premises or commenced eviction proceedings. This fraud generated millions of dollars because they resold the houses at enormous profits. SIGTARP was joined in the investigation by the FBI and the New York State Department of Financial Services. The U.S. Attorney’s Office for the Southern District of New York prosecuted the case.
Jury Convicts Owner of U.S. Homeowners Relief of a Nationwide $3.5 Million Fraud Scheme Targeting More Than 250 Homeowners Seeking Loan Modifications, Including Under TARP’s Making Home Affordable Program

In April 2019, after trial a federal jury convicted Aminullah Sarpas on 10 counts of conspiracy and mail fraud. In July 2014, SIGTARP agents and our law enforcement partners arrested Sarpas who was a co-owner of U.S. Homeowners Relief, a business that from 2008 to 2010 operated as a telemarketing “boiler room” in California that pitched loan modification services to distressed homeowners. Sarpas and his co-conspirators demanded upfront fees of up to $4,200 from homeowners in exchange for false promises of securing mortgage loan modifications on their behalf, touting a 97% success rate in securing modifications, and advertising money-back guarantees. The company’s marketing materials implied they were affiliated with TARP’s Making Home Affordable Program, making specific reference to the government website www.MakingHomeAffordable.gov and displayed official Government logos. Telemarketers told consumers that their mortgage relief was part of the “Obama Act.” The defendants advised customer victims to stop making mortgage payments and not have contact with their lender.

The vast majority of more than 250 victims received no favorable loan modifications, instead losing their payments to the $3.5 million scam. Several of the victims learned from their mortgage lenders that the defendants’ companies had never made any contact on the homeowners’ behalf. Many victims lost their homes to foreclosure. When pressure from customer complaints to the Better Business Bureau or state regulators grew, the defendants would shut down the company and open a new company to continue the scheme. Victims included homeowners in California (Ramona, San Diego, Palm Desert, Carson, Long Beach, Los Angeles); Nevada (North Las Vegas, Sparks, Henderson); Florida (Miami, Jacksonville, Lauderdale); Hawaii (Waipahu, Ewa Beach) Newark, Delaware; Ohio (Dayton, Massilon); Chaska, Minnesota; Phoenix, Arizona; and Corpus Christi, Texas.

Two defendants pled guilty, including Paul Bain, a co-owner of the business who pled guilty in 2016, and Louis Saggiani, manager and chief accountant, who pled guilty in 2015. Sarpas, Bain and Saggiani are scheduled for court sentencing in early 2020. SIGTARP was joined in the investigation by the U.S. Postal Inspection Service and the Internal Revenue Service. The U.S. Attorney’s Office for the Central District of California is prosecuting the case.
California Man Who Told Distressed Homeowners that He Worked for “HAMP Services” Convicted of Nationwide $2.5 Million Fraud Scheme that Victimized More than 500 Homeowners

In August 2019, Allan Jessie Chance was convicted of conspiracy to commit mail fraud. SIGTARP agents participated in the arrest of Chance and two others defendants Michael Paul Paquette and Dennis Edward Lake in January 2018. Earlier, in 2016, two additional defendants, Brian Joseph Pacios and Chad Caldaronello were charged in the same scheme to defraud homeowners and pled guilty to contempt of court and mail fraud. The scheme which took place in 2014 and 2015, started with sending mailers that appeared to be coming from an entity affiliated with the government to homeowners facing foreclosure urging them to call to obtain a loan modification.

Chance and his co-conspirators operated under aliases and told homeowners they worked for HOPE Services, later changed to HAMP Services, which sounded similar to TARP’s Home Affordable Modification Program. They falsely told victims they were part of a non-profit, government-affiliated agency, and that the homeowners were eligible for a loan modification without contacting any government agency or their lender. They told homeowners they were approved for a loan modification, and had to pay three trial payments that would be held in a trust account or escrow, but not to inform their lender about the trial payments. They obtained at least $2.5 million in trial payments from more than 500 victims nationwide spanning from their base of operation in California to points as far as Egg Harbor City, New Jersey and Mt. Airy, Maryland. Chance and Lake are scheduled to be sentenced in Federal Court in February 2020 and January 2020 respectively; Caldaronello, Pacios and Paquette are scheduled for sentencing in November 2019. SIGTARP was joined in the investigation by the Federal Bureau of Investigation. The U.S. Attorney’s Office for the Central District of California is prosecuting the case.
SIGTARP'S OVERSIGHT OF THE HARDEST HIT FUND
40 Hardest Hit Fund programs remain open to new applications in addition to existing programs including: Mortgage Payment Assistance, Reinstatement, Transition Assistance, Principal Reduction, Blight Elimination, and Down Payment Assistance.
STATUS OF APPROXIMATELY $10 BILLION HARDEST HIT FUND PROGRAM CONTINUING INTO FY2022

Over $9 billion has been spent and is subject to both SIGTARP’s law enforcement investigations and audits. Nearly $800 million remains to be spent and will be subject to future investigations and audits.

<table>
<thead>
<tr>
<th>State</th>
<th>Total Spent</th>
<th>Total Unspent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>$93,096,270</td>
<td>$70,873,009</td>
</tr>
<tr>
<td>Arizona</td>
<td>$284,870,621</td>
<td>$19,926,068</td>
</tr>
<tr>
<td>California</td>
<td>$2,435,293,301</td>
<td>$56,327,844</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>$22,843,729</td>
<td>$7,114,454</td>
</tr>
<tr>
<td>Florida</td>
<td>$1,157,010,636</td>
<td>$10,782,885</td>
</tr>
<tr>
<td>Georgia</td>
<td>$329,527,597</td>
<td>$50,993,957</td>
</tr>
<tr>
<td>Illinois</td>
<td>$686,776,122</td>
<td>$64,472,725</td>
</tr>
<tr>
<td>Indiana</td>
<td>$248,387,446</td>
<td>$44,152,625</td>
</tr>
<tr>
<td>Kentucky</td>
<td>$190,754,226</td>
<td>$23,756,224</td>
</tr>
<tr>
<td>Michigan</td>
<td>$658,370,145</td>
<td>$117,570,990</td>
</tr>
<tr>
<td>Mississippi</td>
<td>$110,293,855</td>
<td>$35,342,591</td>
</tr>
<tr>
<td>North Carolina</td>
<td>$676,680,598</td>
<td>$70,617,695</td>
</tr>
<tr>
<td>New Jersey</td>
<td>$388,798,717</td>
<td>$38,052,792</td>
</tr>
<tr>
<td>Nevada</td>
<td>$173,828,800</td>
<td>$24,545,072</td>
</tr>
<tr>
<td>Ohio</td>
<td>$708,352,140</td>
<td>$62,481,940</td>
</tr>
<tr>
<td>Oregon</td>
<td>$320,656,495</td>
<td>$42,224,543</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>$112,160,902</td>
<td>$5,985,504</td>
</tr>
<tr>
<td>South Carolina</td>
<td>$300,111,182</td>
<td>$23,237,216</td>
</tr>
<tr>
<td>Tennessee</td>
<td>$288,867,096</td>
<td>$22,672,296</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9,186,679,878</strong></td>
<td><strong>$791,130,430</strong></td>
</tr>
</tbody>
</table>

Note: TARP dollars include an additional $375 million in TARP dollars recovered in the program and put back into the program. Source: Treasury data as of 6/30/2019; SIGTARP analysis of HHF Quarterly Financial Reports.
Detroit City Official Overseeing Contract Awards in HHF Demolition Program in the City Sentenced to Prison for Conspiracy to Commit Bribery and for Fraud in TARP’s Hardest Hit Fund Blight Elimination Program

On September 23, 2019, a federal court sentenced Aradondo Haskins, the Detroit city official overseeing contract awards in the HHF demolition program, to one year in prison and two years of supervised release, after his conviction for conspiracy to commit bribery and honest services fraud. Detroit is the city that received the largest amount of TARP dollars to fund the demolition of blighted, abandoned houses. Since 2013, Treasury has obligated more than $258 million in TARP dollars for demolitions in Detroit. Haskins had been taking bribes over the entire time the TARP program was in existence. The U.S. Attorney’s office told the court that Haskins had damaged the integrity of the demolition program. Recognizing that he was in positions to control important decisions relating to federally funded contracts, Haskins exploited his positions for personal benefit.

As a Detroit city official since April 2015, Haskins was the primary point of contact for demolition contractors. He was in a position to influence the demolition contact bidding process. He opened and read all bids that contractors submitted in response to the city's Request for Proposals (RFPs). During his tenure as a city official through the end of his employment with the City of Detroit in February 2016, Haskins accepted $11,500 cash bribes from a contractor in exchange for telling the contractor confidential information about the bids. As Haskins intended, this corruptly obtained information allowed the contractor to submit bids low enough to ensure that the contractor was awarded City of Detroit demolition related contracts. After his employment with the city, he accepted another $1,000 in bribes for information he received while employed by the city.

Haskins' bribery conspiracy as a city official was a continuation of a scheme that he was engaged in when he worked from 2013 to 2015 as an official at Adamo Group, one of the largest contractors and TARP dollar recipients in the entire Hardest Hit Fund Blight Elimination program. At Adamo, Haskins' role was to assemble bid packages in response to City of Detroit RFPs. Adamo responded to RFPs through bids, hoping to secure demolition contracts by being the lowest bidder. In assembling the bid packages, Haskins contacted subcontractors requesting bids to be included in Adamo's submission. With the intent to defraud and corrupt the bidding process and without Adamo's knowledge, on at least eight occasions, Haskins corruptly accepted approximately $14,000 from a contractor in exchange for disclosing confidential information about the lowest bids from that contractor's competition. This information allowed the contractor to submit an even lower bid—ensuring that it won lucrative contracts. Due in large part to his experience at Adamo, the City of Detroit hired him as a Field Operations Manager overseeing contracts in HHF.

The U.S. Attorney's Office told the court, “Haskins, solely for greed, accepted bribes for many years, and it was within his sole power to cease his criminal activity at any point before the federal investigation commenced. Significantly, Haskins corrupted an important federal program by giving unearned preferential treatment to a contractor undeserving of such preferential treatment.”
In public remarks, Special Inspector General Goldsmith Romero warned, “Anti-competitive corruption by city officials that award contracts in the Hardest Hit Fund’s Blight Elimination Program will be met by justice and accountability.” The U.S. Attorney's office told the court, “Large federally funded programs are especially vulnerable to corruption. Billions of federal dollars are overseen by public officials and used by the private sector in this state and across the country. Public officials and private sector employees will be tempted to use their positions and access to federal monies for their own benefit.”

When federal law enforcement, including SIGTARP, gave Haskins repeated opportunities to admit his criminal conduct, he declined. Instead, at every turn in the investigation, Haskins lied. Only later did he admit to his conduct. SIGTARP was joined in the investigation by the Federal Bureau of Investigation. The U.S. Attorney for the Eastern District of Michigan and the Antitrust Division of the Department of Justice prosecuted the case.

**Detroit Demolition Contractor Sentenced to Prison for Conspiracy to Commit Honest Services Fraud by Taking Bribes and Kickbacks from a Subcontractor in Connection with TARP’s Hardest Hit Fund Blight Elimination Program**

On September 10, 2019, a federal court sentenced Detroit contractor Anthony Daguanno to one year in prison, and two years of supervised release, after his conviction for conspiracy to commit honest services fraud by taking bribes and kickbacks from a subcontractor in connection with the HHF demolition program in Detroit. Detroit is the city that received the largest amount of TARP dollars to fund the demolition of blighted, abandoned houses. Since 2013, Treasury has obligated more than $258 million in TARP dollars for demolitions in Detroit.

Daguanno was convicted of accepting $372,000 in bribes and kickbacks on 71 occasions over eight years, while he served as an executive at Adamo Group. Adamo is one of the largest contractors and TARP dollar recipients in the entire Hardest Hit Fund Blight Elimination program.

From 2013 to 2019, as a senior estimator at Adamo, Daguanno prepared Adamo's bids in response to City of Detroit Request for Proposals for demolition work. As an estimator with 43 years of experience in the demolition field, Adamo trusted Daguanno, giving him singular authority to manage its bidding process with the City of Detroit. In assembling the bid packages to submit to the City, Daguanno regularly communicated with subcontractors. Because his job included direct contact with contractors during the bidding process and a “first look” at the bids they submitted, he was uniquely positioned to exploit the situation. With the intent to defraud and to corrupt the bidding process, on many occasions, a contractor paid Daguanno to disclose confidential information about the lowest bids from that contractor’s competition. Daguanno disclosed this information in several ways, often by emailing competitor price sheets to the contractor. This information allowed the contractor to submit an even lower bid—ensuring that it won lucrative contracts.

The U.S. Attorney's Office told the court, “Daguanno’s offenses compromised the integrity of a government funded program intended to mitigate the effect of blight on the most vulnerable communities in the State of Michigan. And, by placing his personal enrichment above the interests of Adamo, Daguanno corrupted a contract bidding process which was meant to maximize the ability of Adamo to competently perform its contractual obligations to the City of Detroit. This conduct not only violated the trust Adamo placed in Daguanno, it compromised the integrity of the
Blight Elimination Program and damaged the trust the citizens of Detroit have a right to place in government funded assistance programs."

It took a federal investigation to uncover Daguanno’s criminal behavior. The government gave Daguanno an opportunity to admit his criminal acts, but he failed to do so. In his first interview by federal law enforcement including SIGTARP, he denied all of the conduct. Much later, after federal investigation, Daguanno admitted to accepting bribes. SIGTARP was joined in the investigation by the Federal Bureau of Investigation. The U.S. Attorney for the Eastern District of Michigan and the Antitrust Division of the Department of Justice prosecuted the case.
California Recipient of Hardest Hit Fund Mortgage Assistance Convicted of Fraud on the Program

On May 7, 2019, Eliseo Delgado Jr. was convicted of making a false or fictitious claim in TARP’s Hardest Hit Fund program. In November 2014, Delgado knowingly submitted a false application to the Hardest Hit Fund unemployment assistance program in California, known as Keep Your Home California Unemployment Mortgage Assistance. The program was designed to help homeowners by providing temporary mortgage assistance to eligible low- to moderate-income homeowners who became unemployed. Delgado’s application for homeowner relief benefits fraudulently stated that his income had been reduced because of unemployment. In a “hardship letter” in support of his application, Delgado wrote, “I have lost my job… I fell behind on my mortgage payments in 01/01/2014, earlier this year due to lack of income.” In fact, from 2009 to 2016, Delgado was self-employed at various businesses he had founded, and in 2015 and 2016 he earned approximately $300,000 annually. At no point was he unemployed. From January 2015 to June 2016, he received benefits for 18 months, the maximum length of time permissible under the program, for a total of $52,373.

Delgado’s court sentencing is scheduled for October 28, 2019. He faces a statutory maximum sentence of five years in federal prison. SIGTARP investigated the case. The U.S. Attorney’s Office for the Central District of California, Riverside Branch Office, prosecuted the case.

Recipients of Hardest Hit Fund Mortgage Assistance Indicted for Fraud on the Program in Ohio

On September 12, 2019, a federal grand jury indicted an Ohio man and his wife for Conspiracy to Commit Theft of Government Property in connection with TARP’s Hardest Hit Fund program. The indictment charges that on or about May 28, 2014, Christopher Lee Horn and Sondra Lee Horn submitted an application requesting homeowner assistance from the Hardest Hit Fund in Ohio, known as Save the Dream Ohio. According to the indictment, this program is focused on unemployed and underemployed homeowners who are at risk of mortgage loan default or foreclosure, and eligibility for the program is based on the homeowner owning and occupying the property in Ohio as the homeowner’s principal residence.

The Horns allegedly certified in their application that their house was owner-occupied and their primary residence. Under the program, eligible homeowners can receive, Rescue Payment Assistance that brings the homeowner current on their delinquent mortgage, and Partial Mortgage Payment Assistance where the Ohio HHF program makes monthly payments to the loan servicer for up to 18 months. On or about September 25, 2014, the Horns were allegedly approved for Rescue Payment Assistance of $2,839 and monthly Mortgage Payment Assistance of $692.29 per month for a term of 18 months. The indictment alleges that in September 2014, the Horns negotiated to rent their residence to an individual for $655 per month in cash or personal checks, and moved to Minnesota. The Horns are alleged to have received the rescue amount of $2,839, HHF monthly mortgage assistance of $692.29 from October 2014 to May 2015, and monthly mortgage assistance of $673.13 from June 2015 to February 2016, without notifying the Ohio state HHF officials that they had moved or received rent.

SIGTARP investigated the case. The U.S. Attorney’s Office for the Southern District of Ohio is prosecuting the case.
HHF AUDIT AND EVALUATIONS ACTIVITIES

Evaluation of HHF Blight Elimination Program and Demolitions Finds Hazardous Material Risks, Lack of State Agency Quality Assurance and Oversight
July 2, 2019

SIGTARP released an evaluation based on its review and a review by the U.S. Army Corps of Engineers of Hardest Hit Fund-paid demolitions in South Carolina that showed that the program is unnecessarily risky. The U.S. Army Corps of Engineers (the Corps) on behalf of SIGTARP found significant risks at the federal, state, and contractor level in the Hardest Hit Fund’s (HHF) $755 million Blight Elimination Program. These findings come nearly two years after SIGTARP warned the U.S. Department of Treasury that a similar review of demolitions in Flint, Michigan found program-wide risks of hazardous materials, illegal dumping, and contaminated soil.

“The health and safety of communities require greater oversight by Treasury and state agencies and should not be left to individual contractors,” said Special Inspector General Christy Goldsmith Romero. “Many Hardest Hit funded demolitions are large, complex and require the removal of hazardous materials like asbestos and lead. This is the second of eight state agencies where the Army Corps has found a lack of state agency oversight.”

The Corps compared program requirements to federal and state environmental, health, and safety industry standards, and best practices. It also analyzed the state agency files of a completed demolition of a large 77-unit apartment building in Columbia and made onsite visits and visual inspections of multiple properties in the process of demolition in Spartanburg, including a large 110-unit apartment building.

In its broad program review, the Corps found that the state agency lacked technical oversight and quality assurance throughout the lifecycle of the demolition process. Best practices require periodic state agency on-site presence and inspections, training of state agency oversight employees, and testing. But the South Carolina agency only requires initial and closeout inspections, which creates significant risks. Critically the state agency does not require proof prior to demolition that all asbestos and other hazardous materials are removed, stored, transported and disposed of following federal and state requirements. The South Carolina agency also does not require contractors to track the amount of hazardous materials found, creating a risk that some material may be left.

Given the lack of effective state agency quality assurance and internal controls, in its review of specific demolitions the Corps found substantial inconsistencies in the handling of asbestos and other waste. In Columbia, the Corps found significant omissions, discrepancies and other errors in documentation related to the demolition of a property in Columbia. For example, the state agency file had no certification of the final disposition or completion of the asbestos abatement, no listing of the asbestos abatement contractor in the prime contract, and differing quantities of asbestos containing material on one abatement license and the estimated amount indicated in the specifications.

After visiting an ongoing demolition site in Spartanburg, the Corps concluded that the City of Spartanburg and its contractors appeared to be following demolition best practices and were taking care to minimize harm to the environment and the surrounding community.
SIGTARP Recommends that Treasury Take Corrective Action to Require a Fraud and Waste Prevention Control for Hardest Hit Fund Homeowner Mortgage Assistance Payments
August 13, 2019

There is nearly $800 million in taxpayer dollars that remains available for spending by state agencies in TARP’s Hardest Hit Fund program through Fiscal Year 2022. Under this program, state agencies provide monthly mortgage payments for homeowners who are unemployed or underemployed for up to two years. In August 2019, SIGTARP sent a letter to Treasury Secretary Mnuchin telling him that SIGTARP uncovered California homeowners who, after receiving initial Hardest Hit Fund assistance, either moved away from the house or obtained employment, becoming ineligible for the program. However, the California state agency was not aware of these subsequent ineligibility events and continued to pay these homeowners $437,631 in TARP dollars that they never should have received.

SIGTARP found that some state agencies in the program require every homeowner to certify under penalty of perjury to their program eligibility each month (or at least) quarterly before receiving the payments, so that if they lie, they can be prosecuted. However, the California agency and other state agencies did not require this important fraud and waste preventive control. These findings demonstrate the need for additional taxpayer protections in HHF to prevent fraud and waste.

SIGTARP recommended that, because the Hardest Hit Fund can pay up to two years of mortgage assistance, Treasury require state agencies to require all HHF program participants to prove their current eligibility on at least a quarterly basis before receiving future TARP payments. Requiring periodic certifications of each requirement for program eligibility under penalty of perjury for every program participant prevents waste as it deters those not willing to lie, and it promotes ease in prosecution for fraud of those willing to lie. Implementing this safeguard will save taxpayer dollars by preventing fraud and waste of taxpayer dollars.
Last Year, There Was a Surge in HHF Blight Demolitions

The last 2 years of demolitions account for nearly half (45%) of all Treasury-reported demolitions.

Source: Treasury publication of HFA performance data as of June 30, 2019
HHF: $55.6 Million Spent By State Agencies Last Year On Administrative Support, Outreach & Counseling

Source: Treasury publication of HFA performance data as of June 30, 2019
Over 29,000 New Borrowers Came Into HHF Last Year

Source: Treasury publication of HFA performance data as of June 30, 2019

58 Percent of All Homebuyers Receiving HHF Down Payment Assistance Received it in the Last Two Years

Source: Treasury publication of HFA performance data as of June 30, 2019
SIGTARP'S OVERSIGHT OF BANK AND TARP INVESTMENT PROGRAMS
RESULTS OF SIGTARP’S BANK INVESTIGATIONS

BANKERS
- 105 indicted
- 92 convicted*
- 76 sentenced to prison

BANKER’S CO-CONSPIRATORS
- 94 indicted
- 73 convicted
- 59 sentenced to prison

BORROWERS DEFRAUDING BANKS
- 57 indicted
- 51 convicted
- 39 sentenced to prison

As of September 30, 2019
*Includes two convictions vacated due to death or subsequent cooperation with the Government.
76 BANKERS SENTENCED TO PRISON OUT OF 92 CONVICTED
76 BANKERS SENTENCED TO PRISON (continued)∗

**Farmer’s Bank**
Vice President, Loan Officer
6 Months Supervised Release
6 Months in Prison
Brian W. Harrison

**Wilmington Trust Company**
Loan Officer
3 Years Supervised Release
1 Year and 3 Months in Prison
Peter W. Hayes

**Oppenheimer**
Executive Director of Investments
Allen Reichman

**Artisan’s Bank**
MidCoast Community Bank; Officer
2 Years in Prison
James Lado

**Superior Bank**
CEO, President
5 Years Supervised Release
6 Months in Prison
Phillip Alan Owen

**NOVA Bank**
NOVA Financial Holdings, Inc.; CEO, President, Senior Vice President, Loan Officer
3 Years Supervised Release
1 Year and 6 Months in Prison
Brian Hartline

**Lone Star Bank**
CEO, President, Board Member
3 Years Supervised Release
1 Year and 9 Months in Prison
Poppi Metaxas

**Omni National Bank**
Vice President, Loan Officer
1 Year and 9 Months in Prison
Karim Lawrence

**Bank of America**
Senior Vice President
5 Years Supervised Release
11 Months in Prison
Candice White

**Pierce Commercial Bank (Subsidiary)**
Assistant to Shawn Portmann
3 Years Supervised Release
2 Months in Prison
Alice Lorrraine Barney

**Pierce Commercial Bank (Subsidiary)**
Loan Underwriter
3 Years Supervised Release
7 Months in Prison
Beach Community Bank

76 BANKERS SENTENCED TO PRISON (continued)*

Rodney Dunn  
2 Months in Prison  
1 Year Supervised Release  
Vice President  
Harbor Bank of Maryland

Sonja Lightfoot  
1 Month in Prison  
3 Years Supervised Release  
Senior Vice President of Residential Lending  
Pierce Commercial Bank

Timothy Murphy  
Time Served  
5 Years Supervised Release  
Executive Vice President  
Excel Bank

Sam Tuttle  
Time Served  
6 Months Home Confinement  
Vice President, Loan Officer  
Pierce Commercial Bank (Subsidiary)

Robert Pennington  
Time Served  
5 Years Supervised Release  
Chief Operating Officer  
Lend America, Gateway Bank F.S.B.

Helene DeCillis  
Time Served  
3 Years Supervised Release  
Chief Operating Officer  
Lend America, Gateway Bank F.S.B.

Michael Primeau  
Time Served  
3 Years Supervised Release  
President  
Lend America, Gateway Bank F.S.B.

Michael W. Yancey  
Time Served  
3 Years Supervised Release  
Senior Vice President  
Farmers Bank & Trust, N.A.

Benjamin Leske  
Time Served  
1 Month Home Confinement  
2 Years Supervised Release  
Loan Officer  
Pierce Commercial Bank (Subsidiary)

Ed Rounds  
Time Served  
2 Years Supervised Release  
Loan Officer  
Pierce Commercial Bank (Subsidiary)

Angela Crozier  
Time Served  
3 Years Supervised Release  
Loan Processor  
Pierce Commercial Bank (Subsidiary)

Craig Moyer  
Time Served  
1 Year Supervised Release  
Vice President, Principal, Loan Officer  
Pierce Commercial Bank (Subsidiary)

Adam Voelker  
2 Months Home Confinement  
Loan Processor  
Pierce Commercial Bank (Subsidiary)

Darryl Woods  
1 Year Home Confinement  
CEO, CFO, Chairman, President, Chairman, Mortgage Bank, Cabinet Financial Corporation

Jeremy Churchill  
1 Year Home Confinement  
Vice President, Commercial Loan Officer  
Bank of the Commonwealth

Matthew Daniel Sweet  
6 Months Home Confinement  
Vice President, Controller  
One Bank and Trust, N.A.

4 BANKERS SENTENCED TO HOME CONFINEMENT
59 BANKER CO-CONSPIRATORS SENTENCED TO PRISON OUT OF 73 CONVICTED

Lee Bently Farkas
3 Years and 3 Months in Prison
3 Years Supervised Release
CEO, Chairman
Taylor, Bean & Whitaker
Colonial Bank Case

Mark Anthony McBride
3 Years and 3 Months in Prison
3 Years Supervised Release
CEO
Co-owner, McKnight Man I LLC and 3 Years Supervised Release
Co-owner, McKnight Man I LLC and

Delroy Davy
2 Years and 6 Months in Prison
2 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

George Hranowskyj
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Wilbur Anthony Huff
5 Years in Prison
5 Years Supervised Release
CEO/President
Taylor, Bean & Whitaker
Colonial Bank Case

Eric Menden
5 Years in Prison
5 Years Supervised Release
Chairman, CEO, President
Taylor, Bean & Whitaker
PBI Bank Case

Jerome Arthur Whittington
5 Years in Prison
5 Years Supervised Release
Chairman, CEO, President
Taylor, Bean & Whitaker
PBI Bank Case

Daniel Sexton
5 Years in Prison
5 Years Supervised Release
CEO
Taylor, Bean & Whitaker
Colonial Bank Case

David Lonich
5 Years in Prison
5 Years Supervised Release
CFO
Taylor, Bean & Whitaker
Colonial Bank Case

Lawrence Wright
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Paul Chemidlin
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Delton DeArmas
5 Years in Prison
5 Years Supervised Release
CFO
Taylor, Bean & Whitaker
Colonial Bank Case

Dwight Etheridge
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Brent Merriell
5 Years in Prison
5 Years Supervised Release
CEO
Taylor, Bean & Whitaker
Colonial Bank Case

Mohsen Hass
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Desi Brown
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Brenda Wood
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Peter Pinto
5 Years in Prison
5 Years Supervised Release
Chairman, CEO, President
Taylor, Bean & Whitaker
PBI Bank Case

Ray Bowman
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Delny Fusco
5 Years in Prison
5 Years Supervised Release
CEO
Taylor, Bean & Whitaker
Colonial Bank Case

Carmine Fusco
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Hugo Lafuente
5 Years in Prison
5 Years Supervised Release
CEO
Taylor, Bean & Whitaker
PBI Bank Case

Ray Bowman
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Thomas Arney
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Leonard Potillo
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Zahid Aslam
5 Years and 6 Months in Prison
3 Years Supervised Release
CEO
Alpha Medical Center
PBI Bank Case

Thomas Arney
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Hugo Lafuente
5 Years in Prison
5 Years Supervised Release
CEO
Taylor, Bean & Whitaker
PBI Bank Case

Sheila Flynn
5 Years in Prison
5 Years Supervised Release
CEO
Taylor, Bean & Whitaker
PBI Bank Case

Kenneth Sweetman
5 Years in Prison
5 Years Supervised Release
CEO
Taylor, Bean & Whitaker
PBI Bank Case

Lee Bently Farkas
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Mark Anthony McBride
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Delroy Davy
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

George Hranowskyj
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Wilbur Anthony Huff
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Eric Menden
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
PBI Bank Case

Jerome Arthur Whittington
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
PBI Bank Case

Daniel Sexton
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

David Lonich
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Lawrence Wright
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Paul Chemidlin
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Delton DeArmas
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Dwight Etheridge
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Brent Merriell
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Mohsen Hass
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Desi Brown
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Brenda Wood
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Peter Pinto
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
PBI Bank Case

Ray Bowman
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Delny Fusco
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Carmine Fusco
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Hugo Lafuente
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
PBI Bank Case

Sheila Flynn
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
PBI Bank Case

Kenneth Sweetman
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
PBI Bank Case

Lee Bently Farkas
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Mark Anthony McBride
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Delroy Davy
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

George Hranowskyj
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Wilbur Anthony Huff
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Eric Menden
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
PBI Bank Case

Jerome Arthur Whittington
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
PBI Bank Case

Daniel Sexton
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

David Lonich
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Lawrence Wright
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Paul Chemidlin
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Delton DeArmas
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Dwight Etheridge
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Brent Merriell
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Mohsen Hass
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Desi Brown
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Brenda Wood
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Peter Pinto
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
PBI Bank Case

Ray Bowman
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Delny Fusco
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Carmine Fusco
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
Colonial Bank Case

Hugo Lafuente
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
PBI Bank Case

Sheila Flynn
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
PBI Bank Case

Kenneth Sweetman
5 Years in Prison
5 Years Supervised Release
President
Taylor, Bean & Whitaker
PBI Bank Case
## 59 Banker Co-Conspirators Sentenced to Prison (continued)

<table>
<thead>
<tr>
<th>Name</th>
<th>Sentence Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luis Fernando Kueger</td>
<td>2 Years in Prison, 2 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>Wang Gao Wang</td>
<td>2 Years in Prison, 2 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>Matthew Amento</td>
<td>1 Year and 6 Months in Prison, 3 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>Darryl Wesley Clements</td>
<td>1 Year and 6 Months in Prison, 3 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>William Cody</td>
<td>1 Year and 6 Months in Prison, 3 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>Joseph DiValli</td>
<td>1 Year and 6 Months in Prison, 3 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>Troy A. Fouquet</td>
<td>1 Year and 6 Months in Prison, 3 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>Hua Leung</td>
<td>1 Year and 6 Months in Prison, 2 Years Supervised Release (Saigon National Bank Case)</td>
</tr>
<tr>
<td>Christopher Woods</td>
<td>1 Year and 6 Months in Prison, 2 Years Supervised Release (Saigon National Bank Case)</td>
</tr>
<tr>
<td>Chester Peggese</td>
<td>1 Year in Prison, 5 Years Supervised Release (Park Avenue Bank Case)</td>
</tr>
<tr>
<td>Carlos Peralta</td>
<td>1 Year in Prison, 5 Years Supervised Release (Park Avenue Bank Case)</td>
</tr>
<tr>
<td>Salvatore Leone</td>
<td>1 Year in Prison, 5 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>Alberto Solaroli</td>
<td>1 Year in Prison, 5 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>Christopher Ju</td>
<td>10 Months in Prison, 2 Years Probation (New Jersey Property Management, Owner)</td>
</tr>
<tr>
<td>Jose Luis Salguero Bedoya</td>
<td>10 Months in Prison, 2 Years Supervised Release (New Jersey Property Management, Owner)</td>
</tr>
<tr>
<td>Jason Maurice Robinson</td>
<td>6 Months in Prison, 5 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>Rumin Zhao</td>
<td>4 Months in Prison, 5 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>Sean Ragland</td>
<td>3 Months in Prison, 5 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>Bruce Houlé</td>
<td>1 Day in Prison, 5 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>Mark W. Shoemaker</td>
<td>1 Day in Prison, 5 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>Michael Bradley Bowen</td>
<td>1 Day in Prison, 3 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>Yazmin Soto-Cruz</td>
<td>8 Months Home Confinement, 3 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>James House</td>
<td>Time Served, 3 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>Randall Silver</td>
<td>1 Year Home Confinement, CEO (Oxford Collection Agency, LLC)</td>
</tr>
<tr>
<td>Recardo Lewis</td>
<td>6 Months Home Confinement, Project Manager (Oxford Collection Agency, LLC)</td>
</tr>
<tr>
<td>Patrick Pluto</td>
<td>6 Months Home Confinement, CEO (Oxford Collection Agency, LLC)</td>
</tr>
<tr>
<td>Charles Harris</td>
<td>6 Months Home Confinement, CEO (Oxford Collection Agency, LLC)</td>
</tr>
</tbody>
</table>

## 4 Banker Co-Conspirators Sentenced to Home Confinement

<table>
<thead>
<tr>
<th>Name</th>
<th>Sentence Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Darryl Wesley Clements</td>
<td>1 Year and 6 Months in Prison, 3 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>William Cody</td>
<td>1 Year and 6 Months in Prison, 3 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>Joseph DiValli</td>
<td>1 Year and 6 Months in Prison, 3 Years Supervised Release (Chase Bank Case)</td>
</tr>
<tr>
<td>Troy A. Fouquet</td>
<td>1 Year and 6 Months in Prison, 3 Years Supervised Release (Chase Bank Case)</td>
</tr>
</tbody>
</table>

---

SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM

SEMIANNUAL REPORT TO CONGRESS I APRIL 1, 2019 – SEPTEMBER 30, 2019

37
41 DEFENDANTS WHO DEFRAUDED TARP BANKS SENTENCED TO PRISON

David McMaster 15 Years and 9 Months in Prison 5 Years Supervised Release Vice President of Lending Operations AMI (Victim: BNC National Bank)

Robert Egan 11 Years in Prison 3 Years Supervised Release President Mount Vernon Money Center (Victim: U.S. Bank, Webster Bank, Bank of America, NY Community Bank Corp)

Scott Powers 8 Years and 11 Months in Prison 5 Years Supervised Release President Powers Lane Care (Victim: FNMA Bank, U.S. Bank, Fifth Third Bank, SunTrust Bank & Trust, Bank of Nashville, First Bank)

Edward Shannon Polen 5 Years and 11 Months in Prison 5 Years Supervised Release Owner Polen’s Lawn Care (Victim: FNMA Bank, U.S. Bank, Fifth Third Bank, SunTrust Bank & Trust, Bank of Nashville, First Bank)

Chung Yo Young 5 Years and 3 Months in Prison 5 Years Supervised Release Vice President EDO, Eastern Tools and Equipment (Victim: United Commercial Bank Corp)

Bernard McCamry 5 Years Supervised Release Mount Vernon Money Center (Victim: U.S. Bank, Webster Bank, Bank of America, NY Community Bank Corp)

Leigh Farrington Fiske 4 Years and 9 Months in Prison 5 Years Supervised Release (Victims: Wells Fargo Bank, U.S. Bank)

Steven Pitchersky 4 Years and 3 Months in Prison 5 Years Supervised Release Owner/Operator Nationwide Mortgage Concepts (Victim: Ally Bank)

Michael Edward Filmore 4 Years in Prison 5 Years Supervised Release Operator Healthcare Partners Group, LLC (Victim: Palisade Bank)

Winston Stillingford 4 Years in Prison 5 Years Supervised Release Owner National Embroidery Works, Inc. (Victim: Palisade Bank)

Selim Zherka 3 Years and 1 Month in Prison 5 Years Supervised Release President Wealth Properties Corp (Victim: Goldman Sachs, Wells Fargo, JP Morgan, Deutsche Bank)

Cheri Fu 3 Years in Prison 5 Years Supervised Release Owner; Publisher Cherish’a Gentlemen’s Club, V.I.P. Club, The Westchester Guardian (Victim: Capital One, Signature Bank, Sovereign Bank)

Greisy Amenez 3 Years in Prison 5 Years Supervised Release Real Estate Agent Foresavers Inc. (Victim: Bank of America, N.A., JPMorgan Chase Bank, N.A.)

Marleen Stillingford 3 Years in Prison 5 Years Supervised Release Owner Wealth Properties Corp (Victim: Goldman Sachs, Wells Fargo, JP Morgan, Deutsche Bank)

Clint Dukes 2 Years in Prison 5 Years Supervised Release Owner Dallas Auto Repair (Victim: First Community Bank, U.S. Bank)

Joseph D. Whellick, Jr. 2 Years in Prison 5 Years Supervised Release Owner National Embroidery Works, Inc. (Victim: Palisade Bank)

Margaret Connolly 2 Years in Prison 5 Years Supervised Release Attorney (Victim: JP Morgan)

Thomas Fu 1 Year and 9 Months in Prison 5 Years Supervised Release CFO, Secretary, Treasurer Gallera USA (Victim: Bank of America, United Commercial Bank (UCBH), Cathay Bank, City National Bank, East National Bank, DBS Bank, United Overseas Bank)

Steven Moorhouse 1 Year and 9 Months in Prison 5 Years Supervised Release President Aegis Manufacturing Co., Inc. (aka Fantastic Molding Company) (Victim: Old Second National Bank)

Joseph L. Capano 1 Year and 9 Months in Prison 5 Years Supervised Release Managing Member Riverbank Community, LLC (Victim: Capital One)

Robert Bunga 1 Year and 6 Months in Prison 5 Years Supervised Release Owner Wealth Properties Corp (Victim: Goldman Sachs, Wells Fargo, JP Morgan, Deutsche Bank)

Mahendra Prasad 1 Year and 9 Months in Prison 5 Years Supervised Release (Victim: JPMorgan Chase, Bank of America)

Jaemin Polanco 6 Months in Prison 3 Years Supervised Release Attorney JPMorgan, Bank of America, Capital One

Gregory Yates 1 Year in Prison 3 years Supervised Release CEO, President Quality Concepts, LLC; Owner Champion Development, LLC; Owner QC Manufacturing, LLC (Victim: City Bank of Abilene, IL)

Harpreet Singh 6 Months in Prison 5 Years Probation Real Estate Agent (Victim: Bank of America, Wells Fargo)

John Cheng 6 Years in Prison 4 Years Supervised Release Loan Broker, Owner Enchanted Financial Services, Inc. (Victim: B & M Financial Services Corp.)

Shalma Hadayat 6 Months in Prison 3 Years Probation Real Estate Broker (Victim: Wells Fargo, Bank of America)

Vanessa Ricci 6 Months in Prison 3 Years Supervised Release Mortgage Broker, Owner Quality Financial Services, Inc. (Victim: JPMorgan, Bank of America, Capital One)

Ronald Onorato 6 Months in Prison 2 Year Supervised Release CEO Northpost Group, Inc. (Victim: Magira Bank)


Tariq Khan 1 Year in Prison 1 Year Home Confinement 5 Years Supervised Release Owner Urban Motors Corporation (Victim: Old Second National Bank)

Terrance Yates 1 Year Home Confinement 1 Year Home Confinement 3 years Supervised Release CFO Quality Concepts, LLC; CFO of World Wide Chiropractic Development, LLC (Victim: City Bank of Abilene, IL)

Hyacinth Bellowes Time Served 1 Year Home Confinement 1 Year Supervised Release Attorney (Victim: JPMorgan, Bank of America, First Horizon Corp.)

Dahananara Moran Time Served 1 Year Home Confinement 1 Year Supervised Release Former Director of Human Resources of The Psychological Center Inc. (Victim: JPMorgan, Bank of America, First Horizon Corp.)

James Crews Time Served 4 Years and 9 Months in Prison 5 Years Supervised Release (Victim: Excel Bank)
41 DEFENDANTS WHO DEFRAUDED TARP BANKS SENTENCED TO PRISON (continued)

Michael Hilbert
Time Served: 5 Years
Supervised Release
(Victim: Excel Bank)

Pasquale Scarpa
Time Served: 5 Years
Supervised Release
(Victims: Capital One, Signature Bank, Sovereign Bank)

Mark A Pagani
Time Served: 5 Years
Supervised Release
Attorney
(Victims: Capital One, Signature Bank, Sovereign Bank)

Falgun Dharia
Time Served: 3 Years
Supervised Release
Owner
Mantiff Management Corp.
(Victim: PNC Bank)

Timothy Fitzgerald
Time Served: 2 Years
Supervised Release
Chief Financial Officer
KC United LLC
(Victim: Bank of Blue Valley)

Genaro Morales
Time Served: 2 Years
Supervised Release
Attorney
(Victims: Capital One, Signature Bank, Sovereign Bank)

DEFENDANTS WHO SCAMMED TARP OR USED TARP TO SCAM INVESTORS SENTENCED TO PRISON

SCAMS USING TARP

15

Julius Blackwelder
3 years and 10 months

John Farahi
10 years

Gordon Grigg
10 years

Xue Heu
5 years and 3 months

Abraham Kirschenbaum
1 year and 6 months

Carla Lee Miller
8 months

Jesus Fernando Montes
1 year and 6 months

Thomas Dickey Price
1 year and 6 months

Michael Ramdat
1 year and 9 months

Eduardo Garcia Sabag
3 months

Marvin Solis
2 years and 3 months

David Tamman
7 years

Todd Taylor
1 day

Mark Steven Thompson
1 year and 6 months

Robert Wertheim
1 year and 6 months
Defendants Sentenced in Money Laundering Schemes

In summer 2019, a federal court sentenced two defendants to prison as part of a wide-ranging investigation into a series of schemes that involved narcotics trafficking and international money laundering. At the center of the broad conspiracy is the lead defendant, Tu Chau “Bill” Lu, who was president and chief executive officer of TARP recipient Saigon National Bank from 2009 through January 2015. The Department of Justice charges that Lu and five other defendants were members of a criminal organization involved in narcotics trafficking and international money laundering in countries that included the United States, China, Cambodia, Liechtenstein, Mexico, and Switzerland. The indictment alleges that Lu used “his insider knowledge, position as an official at Saigon National Bank, and network of connections to promote and facilitate money laundering transactions involving members and associates of the enterprise.” In total, 25 defendants have been charged across six indictments.

The court also sentenced two defendants this summer, Jimmy Sheng Lee and Wang Gao Wang, to three year and two year prison terms, respectively, for their roles in money laundering schemes. In separate schemes, both defendants conspired to provide cashier’s checks in exchange for cash they believed was proceeds from drug activity. In exchange, the defendants believed they would receive a percentage of the funds laundered.

SIGTARP was joined in the investigation by the Federal Bureau of Investigation and the Criminal Division of the Internal Revenue Service. The U.S. Attorney’s Office for the Central District of California is prosecuting the case.

Cooperating Defendant Sentenced to Time Served for Role in Massive Fraud Scheme that Contributed to Failure of Sonoma Valley Bank, Resulting in a Complete Loss of $8.6 Million in TARP

In July 2019, a California federal court sentenced cooperating defendant James House to time served and three years of supervised release for his role in a massive fraud scheme that contributed to the failure of Sonoma Valley Bank and a complete loss to TARP of $8.6 million. As part of the sentencing, the court ordered House to pay $19,196,000 in restitution.

In August 2018, the court sentenced Sonoma Valley Bank CEO Sean Cutting and Chief Loan Officer Brian Melland to eight years and four months in prison, and attorney David Lonich to six years and eight months in prison, for a years-long, highly complex fraud scheme. On December 18, 2017, a federal jury convicted all three after trial. The bank officers conspired to make millions in illegal bank loans to “straw” borrowers, knowing that the loan proceeds would go to one bank borrower, real estate developer Bijan Madjlessi. In 2005, Madjlessi faced cash flow issues and the bank lent him money in excess of their legal loan limits through a series of straw borrowers. Bank CEO Cutting and Loan Officer Melland then tried to cover up the scheme by falsifying the bank’s books and lying to bank regulators. During the fraud, the bank applied for TARP, with the CEO describing TARP as a “cookie jar” saying it only made sense for the bank to “take some.”
James House became involved because by 2009, Madjlessi had nearly $30 million in debt at Sonoma Valley Bank when one of his properties was foreclosed. To get the property back, Madjlessi conspired with House, who he owed hundreds of thousands of dollars for carpentry work. House agreed to act as a straw borrower, getting the loan from the bank in his name, and passing on almost all the proceeds to Madjlessi. In return, House was paid almost exactly what he was owed by Madjlessi.

James House was the government's cooperating witness. When SIGTARP investigators approached House in 2011, his immediate reaction was to admit what he had done and offer to cooperate, which he did for more than eight years. He even shot undercover video of Madjlessi and Lonich during which they described their plan and urged House to lie. House testified at trial for four days and received credit for his cooperation. House's crime was serious in that it directly contributed to the failure of the bank. After indictment, but prior to standing trial, Madjlessi died in a one car accident when his vehicle plunged over a cliff on Highway 1.

SIGTARP was joined in the investigation by the Federal Housing Finance Agency Office of Inspector General, and the Federal Deposit Insurance Corporation Office of Inspector General, with the assistance of the Marin County Sheriff's Office, the Sonoma County Sheriff's Office, and the Santa Rosa Police Department. The U.S. Attorney's Office for the Northern District of California prosecuted the case.

**SIGTARP Agents Arrest TARP Bank Chief Executive Officer Indicted on Bribery and Fraud Charges**

In May 2019, SIGTARP agents arrested Edward Shin, the chief executive officer of TARP recipient Noah Bank, a bank based in Pennsylvania. Shin was indicted on charges of conspiracy to commit wire fraud, conspiracy to commit bank bribery, bank bribery, and theft, embezzlement or misapplication by bank officer. The charges were based on alleged conduct that began in 2009. Shin was indicted for allegedly soliciting and receiving bribes in connection with Small Business Administration guaranteed bank loans and commercial bank loans. Shin is charged with concealing that the loans were issued in violation of SBA rules. Shin allegedly siphoned off a portion of broker commissions on government guaranteed loans, even where there was no broker. Shin also allegedly caused the bank to issue a $950,000 SBA-guaranteed loan to a New York, New York business in which Shin had a secret interest. Allegedly, this loan later went into default resulting in a loss to the SBA of $611,491.


**Nomura Securities International Inc. Trader's Conviction Upheld**

On September 20, 2019, a federal appeals court for the Second Circuit upheld the conviction of Michael Gramins, a securities trader at Nomura. After a trial, in June 2017, a federal jury convicted Gramins of conspiracy to commit
fraud related to residential mortgage backed securities (RMBS). Victims of the scheme charged in the indictment included funds through a TARP program that traded in RMBS. Subsequently to the jury verdict, the district court granted Gramin’s motion for a new trial. The Court of Appeals reversed the district court and instructed the district court to reinstate the conviction. SIGTARP was joined in the investigation by the Federal Bureau of Investigation. The U.S. Attorney for the District of Connecticut is prosecuting the case.

**Securities and Exchange Commission Settled Charges that Nomura Securities International Inc. Misled Bond Customers for $25 Million**

In July 2019, the Securities & Exchange Commission resolved civil charges against Nomura for failure to adequately supervise its traders in mortgage-backed securities. According to the SEC’s order, Nomura traders misled customers about the prices at which Nomura had bought securities, the amount of profit Nomura would receive on the customers’ potential trades, and who currently owned the securities, with traders often pretending that they were still negotiating with a third-party seller when Nomura has, in fact, already bought a security. The SEC order further found that Nomura lacked compliance and surveillance procedures that were reasonably designed to prevent and detect this misconduct, which inflated the firm’s profits at the customers’ expense. Nomura agreed to be censured and to reimburse $24.9 million to customers, which was the firm’s profits on the trades with misrepresentations. Under the order, Nomura would reimburse $24.9 million to customers, which was the firm’s profits on the trades with misrepresentations, and pay a $1.5 million penalty. The order required Nomura to improve its surveillance procedures and internal controls.

**New Jersey Hotel Owner Convicted of Defrauding TARP Bank in $15 Million Loan Fraud Resulting in $3.6 Million Loss**

In April 2019, Mehul Khatiwala, a New Jersey resident who owned various hotels was convicted of conspiracy to commit bank fraud and three counts of bank fraud for defrauding Cecil Bank. In December 2008, Cecil Bank received an $11.56 million bailout from TARP. While the bank was in TARP, from 2011 to 2014, Khatiwala defrauded the bank out of $15 million in loans. The bank suffered $3.6 million in losses on those loans. In June 2017, Cecil Bank filed bankruptcy, resulting in losses to TARP of more than $10.6 million.

U.S. Attorney for the District of Maryland Robert Hur whose office prosecuted the case stated, “The defendant used deceit to steal millions of dollars from the victims, which ended up including not only the bank but the American taxpayers.” SIGTARP was joined in the investigation by the Federal Housing Finance Agency Office of Inspector General, the Federal Deposit Insurance Corporation Office of Inspector General, and the Small Business Administration Office of Inspector General.

**Federal Court Sentences CFO of Construction Company to Time Served and Supervised Release for Defrauding TARP Recipient Bank of Blue Valley**

A federal court sentenced CFO of KC United, LLC Timothy Fitzgerald to time served and two years supervised release for defrauding Bank of Blue Valley by manipulating the company's finance records to falsify a profit, and falsifying a
letter from an accountant. The bank relied on the falsified documents to extend loans, and lost more than $877,000 after KC United filed for bankruptcy. The bank’s parent company received a $21.8 million TARP bailout. Treasury suffered a loss of approximately $500,000 on the TARP bailout in addition to foregoing $4.9 million in missed dividend payments. SIGTARP was joined in the investigation by the Department of Labor Office of the Inspector General, the Department of Labor Employee Benefits Security Administration, the Internal Revenue Service Criminal Investigation Division and the Federal Bureau of Investigation. The case was prosecuted by the U.S. Attorney’s Office for the District of Kansas.

Federal Court Sentences Cooperating Defendant for His Role in Multi-million Dollar Life Insurance Scheme That Defrauded TARP Recipient

In July 2019, a federal court sentenced Joseph Edward Waesche to two years of supervised release and ordered him to pay $569,327 in restitution after he pled guilty in 2013 to his role in defrauding insurance companies, including a subsidiary of Lincoln National Corporation, which received $950 million in TARP. Waesche’s cooperation enabled the government to obtain a conviction after a bench trial of Daniel Carpenter, who controlled a number of companies that offered life insurance policies through employee welfare benefit plans. The scheme defrauded life insurance companies into issuing 84 high-value life insurance policies with an aggregate death benefit of more than $459 million on the lives of 76 insureds. Waesche testified at trial for three days against Carpenter. The federal court sentenced Carpenter to two and a half years in prison in December 2018.

SIGTARP was joined in the investigation by the Department of Labor Office of the Inspector General and the Department of Labor Employee Benefits Security Administration’s Boston Office. The U.S. Attorney’s Office for the District of Connecticut prosecuted the case.

Federal Court Sentences Mortgage Company Executive to Three Years in Prison for Fraud Scheme Related to a Bank’s Application for TARP

In July 2019, a federal court sentenced Lend America executive Michael Ashley to three years in prison for his role in a bank fraud conspiracy with Poppi Metaxas, the CEO of Gateway Bank to create the appearance that Gateway had improved its financial condition when it applied to TARP. The court ordered Ashley, who pled guilty in 2011, to pay $49 million in restitution and $800,000 in forfeiture.

In August 2008, Gateway Bank’s regulator was conducting an examination when the bank applied for TARP in October 2008. While the application was pending, in November 2009, the bank examiner informed the bank that it was concerned about capital levels and toxic assets, and said that the bank needed to increase capital and reduce toxic assets. CEO Metaxas then engaged in a number of fraudulent schemes, including a conspiracy with Ashley at Lend America to make it look like the bank had reduced toxic assets. In March 2009, while the TARP application was pending, Metaxas caused Gateway to engaged in roundtrip transactions of $3.64 million in sham loan proceeds to Lend America, which Ashley transferred out of the bank to three entities he controlled, and back to the bank for a purported down payment for an asset sale. Metaxas proposed a $15 million sale of toxic assets to the bank’s board,
concealing the source of the down payment, and misleading the board. She later lied to bank regulators, all while the TARP application was pending. The bank then was not approved for TARP. In November 2009, Lend America failed, and Gateway wrote off the entire loan. In 2015, the court sentenced Metaxas to one year and six months in prison.

SIGTARP was joined in the investigation by the Federal Bureau of Investigation and the Department of Housing and Urban Development Office of Inspector General. The U.S. Attorney's Office for the Eastern District of New York prosecuted the case.

**Federal Court Sentences Former Bank of America Banker to Supervised Release**

In April of 2019, a Federal court sentenced Patricia Zavala, a former Bank of America official, to two years supervised release for her role in an investment scheme that caused victims to lose substantial amounts of money. The court sentenced Zavala to pay $910,329 in restitution. Zavala was essential to a massive fraud scheme by Jerome Arthur Whittington, who the court sentenced in October 2018, to 10 years in federal prison for conspiracy, wire fraud and passport fraud. She played a critical role in helping Whittington defraud victims out of large amounts of money.

Zavala's participation as a Bank of America short sale specialist was critical for deceiving victims into believing Whittington's claims and handing over their money. Whittington told one victim who was worried he might lose his house not to worry about the lender Bank of America because he was “in bed with” the bank and had an “in" through his “girl" who could “pull the short sale properties and lock them down,” referring to Zavala. Zavala provided Whittington with lists of short sales properties including the owners' names and identifying information, which she had access to at the bank. She also used her position at the bank to coerce victims to pay Whittington money, participating in telephone calls with the victims, during which she helped Whittington trick the victims. Zavala provided critical credibility to Whittington's claims, and as a result, two victims were defrauded out of a combined nearly one million dollars. One victim family lost their chance to save their home from foreclosure. SIGTARP was joined in the investigation by the Federal Bureau of Investigation. The U.S. Attorney's Office for the Central District of California prosecuted the case.

**Federal Court Sentences Former Mirae Bank Executive to More than Five Years in Prison for Loan Fraud that Caused More Than $5.7 Million in Bank Losses**

In May 2019, a federal court sentenced former Chief Marketing Officer Ataollah Aminpour at the now-defunct Mirae Bank to five years and 10 months in federal prison, after he pled guilty in December 2017 to his role in a scheme that caused the Koreatown-based lender to issue more than $15 million in fraudulent loans, and ultimately caused the bank to suffer more than $7.5 million losses. Aminpour specialized in providing financing for gas stations and car wash businesses with little or no down payment. He falsified bank loan applications to overstate the purchase price, leaving the bank under collateralized. Defendant Mohsen Hassanshahi purchased a gas station in 2006 and obtained 100% financing through Aminpour and Mirae Bank by submitting false financial statements. Hassanshahi also pled guilty and was sentenced to four years and 5 months in federal prison in August 2018.
FDIC and TARP recipient Wilshire Bank, which acquired Mirae Bank’s assets from the FDIC, suffered more than $33 million in losses on the Aminpour-referred loans. The U.S. Treasury took in excess of a $3.5 million TARP loss on Wilshire Bank. SIGTARP was joined in the investigation by the Federal Deposit Insurance Corporation’s Office of Inspector General, the Federal Bureau of Investigation, and the Federal Housing Finance Agency’s Office of Inspector General. The U.S. Attorney’s Office for the Central District of California prosecuted the case.

**Borrowers Convicted of Defrauding TARP Banks in Short Sale Property Scheme**

In July 2019, Jyoteshna Karan, Praveen Singh, and Nani Isaac were convicted of conspiracy, bank fraud and mail fraud. Two additional defendants in the case, Martin Bahrami and Mahendra Prasad, pled guilty to false statements to a lending institution and mail fraud in 2015 and 2017, respectively. In June 2015, SIGTARP agents and our law enforcement partners arrested or served summons on the defendants for defrauding financial institutions out of millions of dollars through a short sale scheme, including multiple banks that were bailed out by TARP. Karan, and Singh are scheduled to be sentenced in federal court in January of 2020; Isaac will be sentenced in November of 2019; and Bahrami and Prasad were sentenced earlier in 2019 and 2017, respectively. SIGTARP was joined in the investigation by Federal Bureau of Investigation, the Federal Housing Finance Agency Office of the Inspector General, the Federal Deposit Insurance Corporation Office of Inspector General, and the Stanislaus County District Attorney’s Office. The U.S. Attorney’s Office for the Eastern District of California is prosecuting the case.
## TREASURY HOLDINGS IN TARP SECURITIES IN CPP AND CDCI BANKS, AS OF SEPTEMBER 30, 2019

<table>
<thead>
<tr>
<th>Program</th>
<th>Bank</th>
<th>Outstanding Principal Investment</th>
<th>Missed Dividends</th>
<th>SIGTARP Investigation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital Purchase Program (CPP)</strong></td>
<td>One United Bank</td>
<td>$12,063,000</td>
<td>$8,986,935</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Harbor Bankshares Corporation</td>
<td>$5,308,193</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CPP Total</strong></td>
<td></td>
<td>$17,371,193</td>
<td>$8,986,935</td>
<td>1</td>
</tr>
<tr>
<td><strong>Community Development Capital Initiative (CDCI)</strong></td>
<td>Carver Bancorp, Inc</td>
<td>$18,980,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cooperative Center Federal Credit Union</td>
<td>$2,799,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>D.C. Federal Credit Union</td>
<td>$500,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>North Side Community Federal Credit Union</td>
<td>$325,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buffalo Cooperative Federal Credit Union</td>
<td>$145,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CDCI Total</strong></td>
<td></td>
<td>$22,749,000</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td>$40,120,193</td>
<td>$8,986,935</td>
<td>1</td>
</tr>
</tbody>
</table>

**Sources:** Treasury, Transactions Report, September 4, 2019; Treasury, Dividends and Interest Report, September 2019; Treasury, response to SIGTARP data call September 2019.
SIGTARP PEER REVIEWS

Investigations


The EPA OIG issued its letter which stated that “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 the Council of the Inspectors General on Integrity and Efficiency (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.”

Audits

In 2018, the Railroad Retirement Board Office of Inspector General (RRB OIG) conducted a Quality Assessment Review of the SIGTARP Audits. The RRB OIG issued its letter which stated that “the system of quality control for SIGTARP in effect for the year ended March 31, 2018 has been suitably designed and complied with to provide SIGTARP with reasonable assurances of performing and reporting in conformity with applicable professional standards in all material respects.” Generally accepted government auditing standards (GAGAS) requires external peer reviews at least once every 3 years.

Both letters are available on SIGTARP’s website at www.SIGTARP.gov, under “Peer Review Report.”
TREASURY BUDGET PROPOSAL INTERFERES WITH THE INDEPENDENCE OF SIGTARP

The President’s budget request sent to Congress proposed cutting SIGTARP’s budget to $17.5 million – 24 percent below SIGTARP’s Fiscal Year 2019 appropriations. The Special Inspector General issued a statement in the President’s Budget request, sent to Congress as authorized by Section 6(f)(3)(e) of the Inspector General Act, stating that the President’s Budget substantially inhibits SIGTARP from performing our mission.

SIGTARP is also reporting this under the IG Empowerment Act as an attempt by the Treasury Department to interfere with the independence of SIGTARP through budget constraints designed to limit the capabilities of this office. This interference has, in fact, limited this office’s capabilities because we no longer have the resources to fund audits that previously found more than $11 million in waste and squandered TARP dollars by state agencies, as well as investigations over certain areas.

These budget constraints hurt taxpayers. In FY 2019, recoveries from SIGTARP’s work were $899.2 million compared to its $23 million agency budget, a return on investment of 39, which is common for SIGTARP.
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, and abuse related to TARP.