



OFFICE OF THE SPECIAL INSPECTOR GENERAL

FOR THE TROUBLED ASSET RELIEF PROGRAM

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WASHINGTON, D.C. 20220

LETTER FROM THE SPECIAL INSPECTOR GENERAL

SIGTARP's Quarterly Report (April 1, 2021 – June 30, 2021)

Congress created the Office of the Special Inspector General TARP (known as SIGTARP) as a law enforcement office to detect and investigate crimes and civil violations of the law related to programs under the Emergency Economic Stabilization Act (EESA), in addition to serving as an independent watchdog. Investigations in partnership with the Department of Justice, Securities and Exchange Commission, Consumer Financial Protection Bureau, state Attorney Generals, and other partners account for 90% of our efforts. Investigations take several years to bring to prosecution, with an average prosecution three to five years after the illegal activity. Complex cases take more time. The timeframe of our work is not tied to the timeframe of Treasury or other entities administering dollars in these programs. The fact that a EESA program closes or the defendant is no longer taking part in the program will not allow them to escape criminal or civil prosecution.

SIGTARP investigations have resulted in the recovery of \$11.3 billion, criminal prosecutions of 461 defendants, with a 97% DOJ conviction rate, and courts sentencing 311 of those convicted defendants to prison (including 74 bankers). Our investigations have also resulted in enforcement actions against 25 corporations or institutions by DOJ, SEC, CFPB and/or state attorney generals. This includes enforcement actions against many of the largest financial institutions.

While we continue to support DOJ prosecutions of bankers that we investigated, we are investigating banks and non-bank mortgage servicers that abused consumers and homeowners in EESA's largest ongoing program known as HAMP, public corruption in demolition-related contracts of blighted houses in the Hardest Hit Fund, and fraud related to environmental crimes such as contaminated dirt, illegal dumping, and illegal exposure of asbestos or other hazardous material in blight demolitions. Blight demolitions are ongoing in a number of cities and states. SIGTARP investigations have resulted in criminal and civil prosecutions in these areas, and expect more from cases that we are actively working with DOJ. We also continue to bring smaller fraud cases against defendants that stole from the Hardest Hit Fund's programs for unemployed homeowners. As an independent watchdog over these programs, this quarter we issued a report finding that Treasury has been effective in switching the Hardest Hit Fund to address pandemic-related unemployment, and issued a management advisory aimed at preventing fraud in blight demolitions.

As investigations and audits are focused on past actions, ongoing activity in these programs adds to our future work. EESA programs HAMP and the Hardest Hit Fund continue with 645,000 homeowners currently using HAMP to stay in their homes, and Treasury spending \$391 million in 2021. Treasury does not report on the number of homeowners currently using the Hardest Hit Fund to stay in their homes or report on the number of active and planned blight demolitions. There is one bank and two credit unions that continue to be in the TARP bailout programs. We have also been engaging in an orderly step down towards our eventual sunset currently scheduled for 2024. We are decreasing cost, footprint, and staffing levels. I would welcome an opportunity to discuss SIGTARP's work with you.

Respectfully,

CHRISTY GOLDSMITH ROMERO
Special Inspector General