

Council of Inspectors General on Financial Oversight (CIGFO)

June 18, 2020

Conference Call

10:00 a.m.

Meeting Minutes

Council Members Present

Rich Delmar, Acting Chair

James Hagen, Inspector General, National Credit Union Administration

Christy Goldsmith Romero, Inspector General, Special Inspector General for Troubled Asset Relief Program

Jay Lerner, Inspector General, Federal Deposit Insurance Corporation (FDIC)

Mark Bialek, Inspector General, Board of Governors of the Federal Reserve System/Consumer Financial Protection Bureau

Marla Freedman, Deputy Inspector General for Audit, Federal Housing Finance Agency

Helen Albert, Deputy Inspector General for Operations and Management, U.S. Securities and Exchange Commission

Judith Ringle, Deputy Inspector General and Chief Counsel, U.S. Commodity Futures Trading Commission

Guests

Jim Lisle, Audit Director, Office of Inspector General (OIG), Federal Housing Finance Agency

Abdil Salah, Audit Manager, OIG, Federal Housing Finance Agency

Terry Gibson, Assistant Inspector General for Program Audit and Evaluations, OIG, FDIC

Miguel Castillo, Assistant Inspector General for Auditing, OIG, U.S. Commodity Futures Trading Commission

Loren Sciorba, Acting Counsel to the Inspector General, OIG, Department of the Treasury

Debbie Harker, Assistant Inspector General for Audit, OIG, Department of the Treasury

Susan Barron, Deputy Assistant Inspector General for Audit, OIG, Department of the Treasury

Jeff Dye, Audit Director, OIG, Department of the Treasury

At 10:00 a.m. Rich Delmar, the Acting Chair, called the meeting to order. He asked for consideration of the March 19, 2020 meeting minutes and asked if the members had any corrections or additions to the draft. The Acting Chair then called for a motion to approve the minutes, which was made and seconded. The minutes were approved by unanimous consent.

Next, the Acting Chair introduced Jeff Dye who discussed the production of the 2020 CIGFO Annual Report. Specifically, Mr. Dye stated that all inputs from the member agencies were received and incorporated into the annual report; and after working with the Treasury Graphics Department, the plan is to issue it in July 2020. The Acting Chair then called for a motion to approve the 2020 CIGFO Annual Report, which was made and seconded. The 2020 CIGFO Annual Report was approved by unanimous consent.

The Acting Chair introduced Loren Sciorba. Mr. Sciorba highlighted the various components of the proposed H.R. 6800 - Health and Economic Recovery Omnibus Emergency Solutions Act (HEROES Act) which was passed in the House and being debated in the Senate. The bill will be debated after July 4, 2020, and will be considered phase 4 of the economic stimulus package in response to the 2019 coronavirus disease (COVID-19) outbreak and its impact on the economy, public health, state and local governments, individuals, and businesses.

The HEROES Act would provide, among other things, fiscal year 2020 emergency supplemental appropriations to federal agencies; payments and other assistance to state, local, tribal, and territorial governments; the Paycheck Protection Program, which provides loans and grants to small businesses and nonprofit organizations; and additional direct payments of up to \$1,200 in impact payments to individuals. The bill would also expand paid sick days, family and medical leave, unemployment compensation, nutrition and food assistance programs, housing assistance, payments to farmers, and other benefits relating to programs such as Medicare and Medicaid.

Mr. Sciorba noted that the bill has little chance of passing in its current form as it contains certain provisions already deemed unacceptable by the White House and/or the Senate Majority Leader; however, it will be a starting point for negotiations as the debate on phase 4 progresses.

Jay Lerner asked if the bill included any language on oversight by the OIG community and reporting requirements for covered agencies relating to provisions about rulemaking. Mr. Sciorba responded that responsibilities and appropriations for several OIGs are in the bill, including a responsibility to report on agency COVID-19 related rulemaking, and speculated that given the current calls for accountability and transparency of COVID-19 relief, OIG provisions would be a part of the Senate debate as well.

The Acting Chair then raised the need to discuss and vote on four new audit proposals as projects to be undertaken by future CIGFO working groups. Mr. Lerner discussed the FDIC OIG proposal relating to a working group compiling forward-looking guidance for the Financial Stability Oversight Council (FSOC) and its members to consider in preparing for a crisis. Mr. Dye discussed the following two Treasury OIG proposals: (1) review of FSOC's and its member agencies' readiness to respond to crises such as the COVID-19 pandemic, and (2) review of the actions FSOC has taken and plans to take to identify and respond to threats to the stability of the U.S. financial system posed

by the impact of COVID-19. Jim Lisle discussed an FHFA OIG proposal relating to the review of FSOC and its member agencies' response to the cessation of the London Interbank Offered Rate. The Acting Chair called for motions to approve each proposal as projects to be undertaken by a CIGFO working group in the future, which were made and seconded. All four proposals presented were approved by unanimous consent.

Debbie Harker discussed the process followed in the approval and selection of CIGFO working group proposals. After further discussion, it was decided that Ms. Harker would reach out to all the Assistant Inspectors General for Audit of each CIGFO member to hold a separate meeting to decide which proposal would be undertaken by a CIGFO working group and which OIG would lead it.

Finally, the Acting Chair discussed the Pandemic Response Accountability Committee (PRAC) and the potential interface between the responsibilities and functions of the PRAC and the CIGFO member agencies. A member inquired as to whether the Special Inspector General for Pandemic Recovery is statutorily allowed to be a member of CIGFO. Treasury OIG agreed to research legislation relating to CIGFO membership. The Acting Chair asked if anyone had any other issues they wanted to discuss, in which none were raised. The Acting Chair then called for a motion to adjourn, which was made and seconded.

The meeting adjourned at 11:00 a.m.