

**Council of Inspectors General on Financial Oversight
Meeting**

Thursday, May 26, 2011

Main Treasury

Room 4436

10:00 – 11:30 a.m.

Minutes

Council Members Present

The Honorable Eric M. Thorson, IG, Department of the Treasury, Chair

Elise Ennis, Acting IG, Board of Governors of the Federal Reserve

Roy Lavik, IG, Commodity Futures Trading Commission

Frank Rokosz, , Deputy Assistant Inspector General, OIG-Office of Management and Policy for HUD, for Michael Stephens, Acting IG, Department of Housing and Urban Development

The Honorable Jon T. Rymer, IG, Federal Deposit Insurance Corporation

The Honorable Steve A. Linick, IG, Federal Housing Finance Agency

William DeSarno, IG, National Credit Union Administration

David Kotz, IG, Securities and Exchange Commission

Christy Romero, Acting Special IG for the Troubled Asset Relief Program

Others Attending

Tricia Hollis, CIGFO Executive Director

The meeting was called to order at 10:02 a.m. by Chairman Eric Thorson.

Thorson welcomed three newcomers to the meeting:

- Elise Ennis, Acting IG, Board of Governors of the Federal Reserve
- Christy Romero, Acting Special IG for the Troubled Asset Relief Program
- Frank Rokosz, , Deputy Assistant Inspector General, OIG-Office of Management and Policy for HUD, for Michael Stephens, Acting IG, Department of Housing and Urban Development

Thorson called for consideration of the minutes from February 3, 2011 meeting. On a motion by Rymer, seconded by Lavik, the minutes were approved.

Thorson announced that Vice Chair Beth Coleman had retired from Federal service and indicated that Jon Rymer had expressed his interest in serving in this capacity. He asked for other expressions of interest and, hearing none, asked that Rymer be elected by acclamation. The Council agreed.

Thorson provided an update on FSOC activities:

- FSOC has met twice – on March 27 and May 24. Thorson was invited to attend the closed session of the March 27 meeting and made a presentation to the FSOC members about the role of CIGFO in overseeing their work.

- He indicated that, on May 25, FSOC staff Amias Gerety and Laurie Schaeffer provided a briefing on the May 24 FSOC meeting.
 - In response to the criticism of many that the proposed designation criteria are not specific enough, FSOC is planning to provide additional guidance for public comment. They are working this out now at the staff level and hope to have something out for public comment by late June or early July. They again reiterated that they do not expect to make any designations until the criteria are final unless there is some type of emergency. They have committed to attending a CIGFO meeting to brief this group on the criteria and the process by which they will be applied. They also understand that we will likely establish a working group to oversee the application of the designation criteria and the designation process.
 - The FSOC spent a fair amount of time at the meeting on Tuesday discussing their first Annual Report. They are working to release their report by the enactment anniversary.
- CIGFO executive director Tricia Hollis indicated that she met recently with staff of the Senate Banking Committee regarding CIGFO activities to date. She indicated the staff had asked for inclusion in the annual report of an overview of FSOC statutory requirements as well as any pending projects CIGFO was considering.

Hollis led a discussion of the plans for the CIGFO annual report. The CIGFO members reviewed the draft table of contents and preliminary topics of individual IG reports.

Kotz suggested that the Council include in the annual report recommendations of basic principles that FSOC should consider in refining their designation criteria. Thorson suggested that these recommendations be formatted into a letter to the FSOC Chair and included in the annual report. He asked Kotz and Linick to draft something for consideration of the full Council. Rymer cautioned that the principles not be too prescriptive. Romero volunteered to assist in the draft.

The Council agreed to cite three projects under the section of pending projects in the annual report:

- Joint work currently being performed on Prompt Regulatory Action
- Work being done by some IGs on Dodd-Frank rulemaking
- Working group to oversee the designation criteria process

Hollis outlined the timeline going forward on the annual report, with an expected publication date of July 21, 2011.

During open discussion, Thorson briefed the group regarding a potential criminal investigation and suggested the U.S. Attorney in Minnesota, who brought the issue to his attention, brief the group at the next meeting. The group concurred.

The meeting was adjourned at 10:51 a.m.