

Council of Inspectors General on Financial Oversight (CIGFO)

March 28, 2023

Video Conference Call

4:30 p.m.

Meeting Minutes

Council Members Present

Rich Delmar, Acting Chair, Acting Inspector General, Department of the Treasury
(Treasury)

Melissa Bruce, Acting Inspector General, Special Inspector General, Troubled Asset
Relief Program (SIGTARP)

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

Brian Tomney, Inspector General, Federal Housing Finance Agency (FHFA)

Tyler Smith, Acting Inspector General, Federal Deposit Insurance Corporation (FDIC)

Judith Ringle, Deputy Inspector General and Chief Counsel, Commodity Futures
Trading Commission (CFTC)

Helen Albert, Acting Inspector General, U.S. Securities and Exchange Commission
(SEC)

Council Members Not Present

National Credit Union Administration, Office of Inspector General (OIG)

U.S. Department of Housing and Urban Development, OIG

Guests

Amy Altemus, Acting Counsel to the Inspector General, Treasury OIG

Debbie Harker, Assistant Inspector General for Audit, Treasury OIG

Susan Barron, Deputy Assistant Inspector General for Audit, Treasury OIG

Anne Halamar, Audit Manager, Treasury OIG

At 4:30 p.m., Rich Delmar, Acting Chair of CIGFO called the meeting to order and welcomed everyone. He summarized the course of events and the letters he received recently, in the capacity as the Acting Chair, from Andy Barr and Bill Huizenga, the Chairmen of the House of Representatives (House) Subcommittees; Financial Institutions and Monetary Policy, and Oversight and Investigations, respectively. These letters asked for information from CIGFO regarding the Financial Stability Oversight Council (FSOC) meeting on March 12, 2023. Federal regulators convened on this date to discuss matters related to Silicon Valley Bank and Signature Bank.

The second of the two letters also requested documentation for the non-FSOC event held on March 10, when regulators discussed provisions of the FDIC Improvement Act

(FDICIA), in regards to the two bank failures. As described in the second letter, the Secretary of the Treasury met with the Federal Reserve, FDIC, and the Office of the Comptroller of the Currency (OCC) to discuss developments around Silicon Valley Bank.

Debbie Harker, Treasury OIG Assistant Inspector General for Audit, stated that Treasury had made a distinction that the March 10 meeting was an interagency meeting to be distinguished from FSOC meetings. She stated that Treasury OIG was told by Treasury representatives that because it was a meeting that took place as an interagency process, the attendees were not required to take meeting minutes or make these minutes available to the public. This is different from the bylaws and transparency policy for FSOC meetings.

Mr. Delmar described that Treasury OIG met with representatives from FSOC prior to this meeting. FSOC received a letter similar to what he received on March 23, 2023. In the letter, the requestors were asking about the timing of events on March 12, 2023. He said that Treasury OIG learned that FSOC was planning to respond to the questions of the Subcommittees by April 6, 2023. They also contested the claim in the letter that they were unresponsive to Subcommittee requests for information.

Mr. Delmar said that the ultimate question is whether CIGFO collectively has the authority to obtain the information from FSOC, and whether CIGFO can provide this information to the Subcommittee. Then, the ultimate question is, if we could, should we, consistent with independence and non-partisan objectivity. At this point, Mr. Delmar opened the floor to the CIGFO members.

Mark Bialek, Inspector General, Board/CFPB, read to the CIGFO members some points made by his legal counsel. The Board's counsel opined that this may be a good opportunity for the CIGFO members to educate Congressional staff and inform them that CIGFO is based on an ad hoc working group model, and CIGFO needs a majority vote to take certain actions. CIGFO is not a typical OIG that has continuous oversight responsibility. This is a distinction we should make to congressional staff. The Board's counsel said many items requested by the Congressional Subcommittees seemed to be a prelude to requests for additional records. CIGFO should suggest that the requestors should seek the information directly from FSOC.

Tyler Smith, Acting Inspector General, FDIC, concurred.

Helen Albert, Acting Inspector General, SEC, concurred.

Brian Tomney, Inspector General, FHFA, said, regarding the question of whether CIGFO even has the authority, the other means to pursue this idea would be for CIGFO to form a working group to review the FSOC's process and answer the questions posed by the requestors, but was unclear if this was where CIGFO should put resources at this time.

Mr. Delmar stated that the next step would be to draft a letter responding to the requestors based on the discussions held in this meeting.

Mr. Delmar stated that the requestors were interested in the timing of the March 12, 2023 FSOC meeting, and the decisions made related to the New York Department of Financial Services taking possession of Signature Bank and appointing FDIC as receiver, as well as the process that took place under the provisions of FDICIA. He stated he would send the draft letter to the CIGFO members no later than the next morning for their review.

The meeting adjourned at 4:45 p.m.