

Council of Inspectors General on Financial Oversight (CIGFO)

March 13, 2024

Video Conference Call

10:00 a.m.

Meeting Minutes

Council Members Present

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

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

James Hagen, Inspector General, National Credit Union Administration

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

Jennifer Fain, Inspector General, Federal Deposit Insurance Corporation (FDIC)

Dr. Brett Baker, Acting Inspector General, Commodity Futures Trading Commission

Christopher Fontanesi, Senior Counsel, U.S. Department of Housing and Urban
Development, Office of Inspector General (OIG)

Katherine Reilly, Deputy Inspector General for Investigations (Acting), U.S. Securities
and Exchange Commission OIG

Council Members Not Present

Special Inspector General for Troubled Asset Relief Program

Guests

Debbie Harker, Assistant Inspector General for Audit, Treasury OIG

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

Jeffrey Hawkins, Audit Director, Treasury OIG

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

Camille Callender, Assistant Counsel, Treasury OIG

Andrew Berke, Senior Advisor, Treasury OIG

Tyler Smith, Deputy Inspector General, FDIC OIG

Terry Gibson, Assistant Inspector General for Audits, Evaluations, and Cyber, FDIC
OIG

James Lisle, Audit Director, FHFA OIG

At 10:03 a.m., Rich Delmar, Acting Chair, called the meeting to order and welcomed everyone. Mr. Delmar congratulated Ms. Jennifer Fain on becoming the new Inspector General for the Federal Deposit Insurance Corporation and welcomed her to the meeting. Mr. Delmar then asked for consideration of the December 13, 2023, meeting minutes and asked if the members had any corrections or additions. Hearing none, Mr.

Delmar called for a motion to approve the minutes which was made and seconded. The minutes were approved by unanimous consent.

The first item on the agenda was a presentation and discussion of potential working group proposals for the next CIGFO working group project. Mr. Delmar stated that at the last meeting, it was agreed that the FDIC OIG and Treasury OIG would develop working group proposals for consideration. The FDIC OIG developed a proposal for the Financial Stability Oversight Council's (FSOC) assessment of the impact of emerging technologies on financial stability and Treasury OIG developed a second proposal for FSOC's new guidance on nonbank financial company determinations. Mr. Delmar then explained that the goal is to vote for approval on one or both of the proposals for future working group projects. If both are approved, the group will need to decide which proposal will be taken up next and which office will lead the effort. He then turned it over to Mr. Jeffrey Hawkins, Treasury OIG, and Ms. Terry Gibson, FDIC OIG, who presented a summary of each proposal. Motions to approve each proposal were made and seconded. Ms. Debbie Harker, Treasury OIG, stated that Treasury OIG can lead a working group for the FSOC guidance on nonbank financial company determinations. Mr. Delmar then asked for a vote to approve the formation of a working group to assess FSOC's guidance on nonbank financial company determinations. All were in favor and the working group was approved. The group then voted to approve the proposal regarding FSOC's assessment of the impact of emerging technologies on financial stability. All were in favor and the proposal was approved for consideration for a future working group.

Ms. Amy Altemus, Treasury OIG, discussed the recent summary judgement issued by the U.S. District Court for the Northern District of Alabama in the case of the National Small Business Association (NSBA) v. Yellen. In summary, the court found the Corporate Transparency Act (CTA) to be unconstitutional. On September 29, 2022, the Financial Crimes Enforcement Network (FinCEN) issued a final rule implementing the CTA requiring certain entities to report beneficial ownership information. As a result of the court's ruling, FinCEN determined that it would heed the injunction and not enforce the CTA against plaintiffs or small businesses who are members of NSBA. Those individuals and entities are not required to report beneficial ownership information to FinCEN at this time. Ms. Altemus concluded by stating that the matter continues to be litigated and is currently in dispute in the Northern District of Ohio.

The next item on the agenda was the CIGFO Annual Report. Mr. Jeffrey Hawkins, Treasury OIG, introduced this year's schedule for the 2024 Annual Report. The process and cadence are similar to that used previously with a target to issue the final report by the end of July. This year's report will cover any CIGFO audits or agency work products issued between April 1, 2023, and March 31, 2024.

Finally, the following items were briefly discussed during the open portion of the meeting. Treasury OIG received a notification from the Government Accountability Office (GAO)

regarding the initiation of an engagement on the final components of the Basel III agreement. GAO will be contacting FSOC as part of this effort. Also discussed was a recent letter the Acting Chair received from Senator Grassley's office pertaining to the anti-gag provision included in the Whistleblower Protection Enhancement Act. It was noted that the entire Inspector General community has also received this letter along with the Chair of the Council of the Inspectors General on Integrity and Efficiency (CIGIE). Many of the CIGFO members observed that it is anticipated that a broader discussion on the letter will be held at the next CIGIE meeting and that CIGIE may coordinate a community-wide response. Mr. Delmar stated that it is reasonable to wait to see what CIGIE advises. The last item included a note by Mr. Delmar that Mr. Jim Ives has been nominated to be the next Treasury Inspector General. Mr. Delmar will keep the group informed as the nomination moves through the process.

A motion was made and seconded to adjourn and was approved by all.

The meeting adjourned at 10:52 a.m.