

Council of Inspectors General on Financial Oversight (CIGFO)

March 5, 2025

Video Conference Call

10:00 a.m.

Meeting Minutes

Council Members Present

Loren Sciorba, Acting Chair, Deputy Inspector General, Department of the Treasury (Treasury) OIG

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

Christopher Skinner, Inspector General, Commodity Futures Trading Commission (CFTC) OIG

Mark Bialek, Inspector General, Board of Governors of the Federal Reserve System (Board) OIG

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

James Lisle, Audit Director, Federal Housing Finance Agency (FHFA) OIG

Council Members Not Present

National Credit Union Administration (NCUA) OIG

U.S. Securities and Exchange Commission (SEC) OIG

Guests

Jacqueline Becker, Senior Advisor and Senior Associate Inspector General, Board/CFPB OIG

Pauletta Battle, Acting Assistant Inspector General for Audit, Treasury OIG

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

Virginia Shirley, Acting Deputy Assistant Inspector General for Audit, Treasury OIG

Jeffrey Hawkins, Audit Director, Treasury OIG

Camille Callender, Assistant Counsel, Treasury OIG

Anne Halamar, Audit Manager, Treasury OIG

At 10:03 a.m., Loren Sciorba, Acting Chair and Deputy Inspector General at Treasury OIG, called the meeting to order and welcomed everyone. Mr. Sciorba announced that Anne Halamar, Audit Manager at Treasury OIG, would be assuming Jeff Hawkins's role in briefing the council on the work of the CIGFO Working Group, as Mr. Hawkins would be retiring at the end of the month.

Mr. Sciorba then asked for consideration of the December 11, 2024, meeting minutes and asked if the members had any corrections or additions. Hearing none, Mr. Sciorba

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

Ms. Halamar then updated the group on the CIGFO Working Group project, the *Financial Stability Oversight Council's (FSOC) Designation of Nonbank Financial Companies*. Since the December update, the Working Group completed the audit program that includes procedures for all the Working Group members to perform. The audit program is awaiting Treasury OIG senior management's approval before moving into the substantive portion of fieldwork. This includes Working Group members obtaining responses to the questionnaire from their respective FSOC members.

As part of the update, Ms. Halamar informed the Council that Treasury OIG received a recent notification from GAO on their planned engagement on the *Private Credit Sector and Federal Oversight*. This engagement had some potential overlap with the current CIGFO Working Group audit of FSOC's *Designation of Nonbank Financial Companies*. FSOC's designations are a supervisory tool to mitigate threats to financial stability posed by financial activities and services of nonbanks, including the private credit sector. Treasury OIG offered to meet with GAO to discuss potential crossover.

Ms. Halamar then took a few minutes to introduce this year's schedule for CIGFO's 2025 Annual Report. The schedule was included in the calendar invite with the rest of the meeting materials. The process is similar to what has been used in past years with a target date towards the end of July to issue the final report. This year's report would cover any CIGFO audits or agency work products issued between April 1, 2024, and March 31 of this year, 2025. The first milestone would be for the submission of any joint CIGFO member projects, due by April 4th. The heavier lift would be for May 2nd, the date by which each member should submit its individual submission. Ms. Halamar would be sending out the schedule to the office contacts on file from last year's reporting to determine whether there had been any changes.

Ms. Amy Altemus, Acting Counsel to the Inspector General at Treasury OIG, provided an update on legislative developments and other issues. Ms. Altemus updated the group on the Corporate Transparency Act (CTA), codified at 31 USC 5336, which was enacted by Congress in 2021 to give some oversight into the beneficial owners of entities that could be used as shells to facilitate the transfer and laundering of illicit finance. The CTA sought to have each specified entity file with FinCEN the identities of its beneficial owners to give some clarity into the actual beneficiaries of those businesses and shells.

Ms. Altemus explained that the statute was met with mixed reactions: two districts issued injunctions, with one district issuing an injunction and then withdrawing it. Notwithstanding any whiplash on the part of potential filers, the matter was working its way slowly up the chain towards the Supreme Court for a ruling as to whether Congress

had exceeded its authority and overscoped the legislation, or whether it was a valid exercise of Congress' ability to oversee interstate commerce and regulate trade.

Notwithstanding, Ms. Altemus described how, on March 2, 2025, the Treasury Department announced via the X forum formerly known as Twitter, that "with respect to the Corporate Transparency Act, not only would it not enforce any penalties or fines associated with the beneficial ownership information reporting rule under the existing regulatory deadlines," but it would issue a proposed rule to narrow the scope of the CTA to foreign reporting companies only. Treasury Secretary Scott Bessent called it a "victory for common sense" and "part of President Trump's bold agenda to unleash American Prosperity by reining in burdensome regulations."

Mr. Scirba then asked if anyone had any additional business to discuss. Hearing none, he asked for a motion to adjourn. A motion was made and seconded and was approved by all.

The meeting adjourned at 10:21 a.m.