

Council of Inspectors General on Financial Oversight (CIGFO)
December 5, 2019
Main Treasury
Room 4436
10:00 a.m.
Meeting Minutes

Council Members Present

Rich Delmar, Acting Chair

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

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

Rae Oliver-Davis, Inspector General, Department of Housing and Urban Development

Guests

Tyler Smith, Special Agent in Charge, Office of Inspector General, Federal Deposit Insurance Corporation

Amy Altemus, Acting Counsel to the Inspector General, Office of Inspector General, Department of the Treasury

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

Jeff Dye, Audit Director, Office of Inspector General, Department of the Treasury

At 10:00 a.m. the Acting Chair called the meeting to order. He asked for consideration of the September 25, 2019 meeting minutes and asked if the members had any corrections or additions to the draft. Inspector General Goldsmith Romero asked for a correction to her last name. The 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 Tyler Smith, SAC with the Federal Deposit Insurance Corporation Office of Inspector General. Mr. Smith provided an overview of cyber-crimes and strategies to prevent them. He discussed various fraud schemes including the compromise of business email; elder fraud; and the use of malware, ransomware, and synthetic identification in fraud schemes. He then discussed strategies to combat fraud including updating operating systems, updating virus protection, reducing third party information sharing, enabling two-factor authentication, backing up data, and just being careful about what one clicks on.

The Acting Chair then introduced Jeff Dye who provided an update on the status of the CIGFO Working Group Survey of Financial Stability Oversight Council (FSOC) and its Federal member agencies efforts to support the implementation of the Cybersecurity Act of 2015. Mr. Dye also provided an update on the status of the audit of the appropriate federal entities' implementation of the Cybersecurity Information Sharing Act of 2015 being led by the Intelligence Community Inspector General. The report is due in December 2019.

The Acting Chair then introduced Amy Altemus. Based on Mr. Smith's comments and Treasury OIG's own experience with people impersonating department officials, Ms. Altemus suggested CIGFO members might compare notes on how to deal with these situations. Ms. Altemus discussed the highlights of a recent Government Accountability Office (GAO) report – GAO-20-46, *Bank Secrecy Act: Examiners Need More Information on How to Assess Banks' Compliance Controls for Money Transmitter Accounts*. GAO looked at federal oversight of banks' compliance with Bank Secrecy Act (BSA) requirements for verification of customers' identities and reporting suspicious activity, particularly when banks' customers are money transmitting businesses. The report discussed (1) the extent to which banks are terminating or limiting services for money transmitting businesses, (2) challenges in assessing BSA/Anti-Money Laundering compliance related to money transmitters, and (3) regulators' actions to address derisking concerns.

Finally, the Acting Chair asked if anyone had any other issues they wanted to discuss. The Acting Chair noted that several Inspectors General had been mentioned recently in the media regarding the high profile issues of whistleblower rights and protections, and authorities' use of surveillance powers in the investigation of Russian measures that targeted the 2016 presidential election. Several members of CIGFO discussed that these serve as examples of the importance of the work of the Inspectors General community.

The Acting Chair then called for a motion to adjourn, which was made and seconded.

The meeting adjourned at 10:52 a.m.