

Council of Inspectors General on Financial Oversight

March 26, 2019

Main Treasury

Room 4436

10:00 a.m.

Meeting Minutes

Council Members Present

Eric M. Thorson, Chair

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

Mark Bialek, Inspector General, Board of Governors of the Federal Reserve System and
Consumer Financial Protection Bureau

Carl Hoecker, Inspector General, U.S. Securities and Exchange Commission

Jay Lerner, Inspector General, Federal Deposit Insurance Corporation

James Lisle, Audit Director, Federal Housing Finance Agency

James Hagen, Inspector General, National Credit Union Administration

Arne Lavik, Inspector General, U.S. Commodity Futures Trading Commission

Guests

Brian Bussey, Director, Division of Clearing and Risk, Commodity Futures Trading
Commission (CFTC)

Terry Gibson, Assistant Inspector General for Audit, Office of Inspector General,
Federal Deposit Insurance Corporation

Margaret (Peggy) Wolf, Auditor, Office of Inspector General, Federal Deposit Insurance
Corporation

Steven Begg, Acting Chief of Staff, Office of Inspector General, Department of Housing
and Urban Development

C. Bradley Williams, Special Agent, Office of Inspector General, Department of Housing
and Urban Development

Rich Delmar, 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

Lisa Carter, Deputy Assistant Inspector General for Audit, Office of Inspector General,
Department of the Treasury

Eileen Kao, Senior Advisor to the 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 Chair called the meeting to order. He asked for consideration of the
December 11, 2018 meeting minutes and asked if the members had any corrections or
additions to the draft. There being none, the Chair called for a motion to approve the

minutes which was made and seconded. The minutes were approved by unanimous consent.

Next the Chair introduced Brian Bussey, Director of CFTC's Division of Clearing and Risk. Mr. Bussey explained (1) the history of derivatives, swaps, and futures markets and associated legislative action; (2) several types of swaps; and (3) the impact of the Dodd-Frank Act on this market and the challenges in the swaps market under the current regulatory environment.

Next the Chair introduced Jeff Dye who reminded the members of the schedule for producing the 2019 CIGFO annual report. Mr. Dye then proceeded with an update on the status of the CIGFO Working Group Audit related to the Financial Stability Oversight Council's (FSOC) monitoring of international activities and the status of the CIGFO Working Group Survey of FSOC and its Federal member agencies efforts to support the implementation of the Cybersecurity Act of 2015.

Next, the Chair introduced Rich Delmar who shared the highlights of the March 6, 2019 FSOC meeting which included a discussion on nonfinancial corporate credit and the approval of proposed amendments to FSOC's interpretative guidance on nonbank financial company designations. Mr. Delmar also shared the financial sector's high risk areas as identified in FSOC's 2018 annual report that was issued in December 2018.

During the open session, Jay Lerner, Inspector General of the Federal Deposit Insurance Corporation, introduced a proposal for a CIGFO working group project. Mr. Lerner proposed that CIGFO initiate a project to report on management and performance challenges across CIGFO agencies. The goal of the project is to review management and performance challenges identified by each Inspector General in 2018, identify the common challenges facing multiple federal financial agencies, and issue a report highlighting the common challenges and potentially recommend heightened attention or cross-cutting solutions. The Chair called for a vote to approve the project. The proposal was approved by unanimous consent. The Chair called for a motion to adjourn, which was made and seconded.

The meeting adjourned at 10:58 a.m.