



**OFFICE OF THE SPECIAL INSPECTOR GENERAL
FOR THE TROUBLED ASSET RELIEF PROGRAM**

LETTER FROM THE SPECIAL INSPECTOR GENERAL

SIGTARP's Quarterly Report (April 1, 2023 – June 30, 2023)

Ever since Congress created the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) under the Emergency Economic Stabilization Act (EESA), SIGTARP has delivered for American taxpayers. As a law enforcement office, SIGTARP has a proven record of identifying and investigating fraud and other crime. SIGTARP investigations have resulted in the recovery of over \$11.3 billion, criminal prosecutions by the Department of Justice and others of 474 defendants—325 of them sentenced to prison, including 75 bankers. Our investigations have also resulted in enforcement actions against 25 corporations/entities, including enforcement actions against many of the largest U.S. financial institutions. As an independent watchdog, SIGTARP has consistently identified fraud, waste, abuse, ineffectiveness, inefficiency, and risk in EESA programs, and brought transparency to EESA.

The Home Affordable Modification Program (HAMP) ended on April 28, 2023. According to April 2023 data, HAMP is still providing much needed foreclosure relief to more than 550,000 participating homeowners living in all 50 states. The Department of the Treasury paid \$122.9 million in fiscal year 2023 and made its final advance payment of eligible incentives in March 2023. SIGTARP's investigations into the HAMP program have protected consumers seeking access to HAMP and who subsequently became the victims of scams. To date, SIGTARP has brought to justice 121 convicted scammers.

In the last quarter, because of SIGTARP investigations:

- An attorney from Southern California was sentenced to twelve months and a day in prison and two years of supervised release and ordered to pay a \$50,000 fine. This attorney previously pled guilty to a money laundering conspiracy in which a participating TARP bank was used to launder illicit funds. This investigation was conducted jointly by SIGTARP, the FBI and IRS Criminal Investigation, and was prosecuted by the U.S. Attorney's Office in the Central District of California.

- A contractor was charged for fraudulently billing the City of Detroit over \$1 million for backfill dirt used at demolished properties, that he obtained at no cost and from contaminated sources. TARP Hardest Hit Funds (HHF) for the Blight Elimination Program were used to pay for these fraudulent backfill expenses. This investigation was conducted jointly by SIGTARP and the City of Detroit Office of Inspector General and is being prosecuted by the Michigan Attorney General's Office.
- A Michigan Asbestos Abatement contractor was charged with submitting false invoices to defraud the Michigan Department of Licensing and Regulatory Affairs. These false invoices related to work performed in conjunction with the TARP HHF Blight Elimination Program and resulted in the underpayment of fees to the State of Michigan Asbestos Fund. This case is being prosecuted by the Michigan Attorney General's Office.
- A Northern California man pled to charges that he defrauded the "Keep Your Home California" (KYHC) Unemployment Mortgage Assistance program. He was sentenced to one year of probation, 100 hours of community service and made restitution in the amount of \$23,942. This case was prosecuted by the California Attorney General's Office.

One credit union remains in TARP's Community Development Capital Initiative program. The Capital Purchase Program (CPP) closed in October 2022, with Treasury's receipt of the last remaining bank's investment repurchase. Under CPP, Treasury provided capital to 707 institutions in 48 states. The fact that a bank exits TARP or that a different EESA program closes does not allow a defendant to escape criminal or civil prosecution. Pursuit of those who have defrauded a now closed program not only provides justice, but also deters abuse of ongoing government programs.

As you can see, SIGTARP continues to address illegal conduct within EESA programs. SIGTARP remains committed to fulfilling its mission to bring accountability for fraud, waste, and abuse through the agency's anticipated closure in March 2024.

Respectfully,

MELISSA BRUCE
Principal Deputy Special Inspector General
Performing the Duties of the Special
Inspector General