



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

LETTER FROM THE SPECIAL INSPECTOR GENERAL

SIGTARP's Quarterly Report (October 1, 2023 – December 31, 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 by performing both law enforcement and oversight functions. 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 \$11.4 billion, criminal prosecutions by the Department of Justice and others of 476 defendants—328 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's audits and evaluations 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 in all 50 states. The Department of the Treasury paid \$124.7 million in fiscal year 2023, including a \$1.8 million true-up payment made before the program closed. 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:

- The owner of a demolition firm was charged with racketeering and running a criminal enterprise for fraudulently billing the City of Detroit over \$1.5 million for backfill dirt used at demolished properties, which he obtained at no cost and from contaminated sources. TARP Hardest Hit Funds (HHF) for the Blight Elimination Program were used to pay for over \$700,000 of these fraudulent backfill expenses. This investigation is being prosecuted by the Michigan Attorney General's Office.

- A Michigan asbestos air quality monitoring contractor was charged with racketeering and running a criminal enterprise for fraudulently billing the City of Detroit over \$200,000. This air quality monitoring contractor claimed be to an independent firm and unrelated to the contractor performing the asbestos abatement work, which was required for TARP-funded demolition projects. The investigation uncovered that the monitoring firm contractor was actually an employee of the asbestos abatement firm, and therefore posed a public health and safety risk by not being an independent monitor. This investigation is being prosecuted by the Michigan Attorney General’s Office.
- A former Washington, DC resident was sentenced for defrauding the District of Columbia “HomeSaver Program”, which was established to assist struggling homeowners and prevent foreclosure using TARP HHF. This former resident claimed that he was unemployed and experiencing a financial hardship, when in fact he earned approximately \$240,000 while receiving assistance from this program. After initially repaying \$15,000 to the U.S. Treasury, he was then sentenced to twelve months incarceration, three years of probation, 120 hours of community service and ordered to make restitution in the amount of \$16,920. This case was prosecuted by the U.S. Attorney’s Office – District of Columbia.
- The former Asset Manager of the Cook County (Illinois) Land Bank Authority (CCLBA) was sentenced in a scheme to purchase and resell properties using “straw buyers”. The CCLBA was the recipient of TARP HHF to assist with the removal of blighted properties in and around the Chicago area. This defendant was sentenced to 12 months incarceration, three years of probation, and ordered to forfeit \$172,706. This investigation was conducted jointly with the Federal Bureau of Investigation, United States Housing and Urban Development Office of Inspector General (OIG), Internal Revenue Service-Criminal Investigation, Federal Housing Finance Agency OIG, and SIGTARP, and prosecuted by the U.S. Attorney’s Office – Northern District of Illinois.

This is SIGTARP’s final quarterly report. We greatly appreciate the opportunity we have had since 2008 to safeguard the public’s interest.

Respectfully,

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