



**OFFICE OF THE SPECIAL INSPECTOR GENERAL**


**FOR THE TROUBLED ASSET RELIEF PROGRAM**

**1801 L STREET, NW, 6<sup>TH</sup> FLOOR**

**WASHINGTON, D.C. 20220**

June 23, 2009

MEMORANDUM FOR: Herbert Allison  
Assistant Secretary for Financial Stability

FROM: Neil Barofsky   
Special Inspector General for the Troubled Relief Program

SUBJECT: Engagement Memo: Audit of the Use of TARP Funds

In February 2009, the Special Inspector General for the Troubled Relief Program (SIGTARP) announced an audit to examine the use of the Troubled Asset Relief Program (TARP) funds by financial institutions receiving funds through the capital purchase program. The results of this audit will be reported shortly. In keeping with our responsibility to oversee the use of TARP funds, we are announcing an audit to examine the use of TARP funds by recipients receiving extraordinary assistance under the Systemically Significantly Failed Institutions, the Automotive Industry Financing Program as well as the insurance companies scheduled to receive CPP funding. The objectives of this audit are to determine (1) the extent that companies segregated TARP funds from other institutional funds, (2) the ability of companies to track the use of those funds; and (3) the actual and/or planned use of the TARP funds.

Our office plans to start work on this engagement immediately. This work will be performed under engagement code 0009. SIGTARP expects to perform fieldwork at the Office of Financial Stability and at the affected TARP recipients. A member of my staff will contact you shortly to arrange an entrance conference. At that time, we will discuss our scope, methodology, and timeframes in more detail. If you have any questions, please contact Barry W. Holman, SIGTARP Deputy Inspector General for Audit, at (202) 622-4633.

cc: Duane Morse, Chief Risk and Compliance Officer, OFS