




OFFICE OF THE SPECIAL INSPECTOR GENERAL

FOR THE TROUBLED ASSET RELIEF PROGRAM

1801 L STREET, NW, 4TH FLOOR
WASHINGTON, D.C. 20220

NOV 16 2010

MEMORANDUM FOR: Timothy Massad – Acting Assistant Secretary for Financial Stability, Department of Treasury

FROM: Neil Barofsky – Special Inspector General for the Troubled Asset Relief Program (SIGTARP) 

SUBJECT: Engagement Memo – Review of Treasury’s Oversight of the Internal Controls for the Legacy Securities Public-Private Investment Program

As part of our continuing oversight of the Troubled Asset Relief Program, we are initiating an audit of the internal controls in place for both Treasury and the Public-Private Investment Funds for the Legacy Securities Program under the Public-Private Investment Program. Under the Legacy Securities Program, Treasury currently oversees eight PPIF managers.

Our specific objectives will be to determine: (1) the extent and effectiveness of Treasury’s compliance oversight and monitoring of each PPIF; (2) the extent to which the PPIF manager’s internal controls address the compliance requirements of the limited partnership agreement and other applicable laws and regulations; and, (3) the extent to which Treasury and the PPIF managers have implemented controls to identify, mitigate, and resolve potential conflicts of interest.

We plan to start work on this engagement immediately. We will perform this work under engagement code 025. We expect to perform our field work at the Office of Financial Stability, and at each PPIF manager. 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. In the meantime, please contact Kurt Hyde, Deputy Special Inspector General for Audit, at (202) 622-4633 / kurt.hyde@do.treas.gov with any questions.

cc: Christian Weideman, Acting Chief Counsel, Office of Financial Stability
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