



OFFICE OF THE SPECIAL INSPECTOR GENERAL

FOR THE TROUBLED ASSET RELIEF PROGRAM

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WASHINGTON, D.C. 20220

MAR 30 2012

MEMORANDUM FOR: Ms. Patricia Geoghegan, Acting Special Master for TARP Executive Compensation

FROM: Ms. Christy L. Romero – Deputy Special Inspector General
for the Troubled Asset Relief Program *C. L. Romero*

SUBJECT: Engagement Memo – Evaluation of the Special Master’s 2012 Determinations on Executive Compensation at AIG, GM, and Ally Financial (SIGTARP Evaluation 003)

As part of our continuing oversight of the Troubled Asset Relief Program (“TARP”), we are initiating an evaluation of the Special Master’s 2012 decisions on executive compensation at the three remaining institutions designated as receiving exceptional assistance under TARP. These three institutions are American International Group, Inc. (“AIG”), General Motors Corporation (“GM”), and Ally Financial Inc. (“Ally”). This evaluation will focus on the Office of the Special Master’s (“OSM”) process and determinations related to 2012 compensation packages for senior executive officers and the next 20 most highly compensated employees (“Top 25”) at the three institutions.

Our specific objectives will be to (1) assess OSM’s process and determinations for Top 25 pay packages in 2012 for Ally, AIG, and GM, and (2) evaluate OSM’s progress in implementing SIGTARP’s recommendations set forth in SIGTARP Report 12-001, “The Special Master’s Determinations for Executive Compensation of Companies Receiving Exceptional Assistance Under TARP,” issued January 23, 2012.

We plan to start work on this engagement immediately. This work will be performed under engagement code Evaluation 003. We expect to perform our fieldwork at the Office of the Special Master. A member of my staff will contact you shortly to arrange an entrance conference to discuss our scope, methodology, and timeframes in more detail.

For additional information on this engagement, please contact Mr. Kurt Hyde, Deputy Special Inspector General for Audit and Evaluation (Kurt.Hyde@treasury.gov / 202-622-4633), or Ms. Kimberley A. Caprio, Assistant Deputy Special Inspector General for Audit and Evaluation (Kim.Caprio@treasury.gov / 202-927-8978).