



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

November 25, 2008

OFFICE OF
INSPECTOR GENERAL

The Honorable Barney Frank
Chairman
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

By fax to 202-225-6952 and by first class mail

Dear Mr. Chairman:

As the Inspector General for the Department of the Treasury, the department responsible for carrying out the Troubled Asset Relief Program (TARP), I am aware that there is a growing concern in the Congress and in the media that this vital program lacks sufficient oversight, due to delays in establishing the oversight mechanisms mandated by the statute. The delay in confirming Mr. Barofsky as the Special Inspector General for the TARP (SIG TARP) is likely to intensify this concern.

I am writing to apprise you of the steps my office has taken, and plans to take, to address these concerns and provide a level of independent oversight that will assure the Congress and the American people of compliance with all aspects of the Emergency Economic Stabilization Act (EESA). The Department had previously asked our office to monitor the program until the SIG TARP became operational. My staff has been meeting with TARP officials to keep apprised of all TARP activity and has received excellent cooperation. In addition, we have begun to collect and summarize information about the Department's use of TARP resources. We are gearing up to provide the Congress with the first 60 day report that the SIG TARP is required to file per the Act.

Allocating resources to TARP oversight is a challenge, given the many other audit and investigative duties of our office, including a growing workload of Material Loss Reviews relating to certain failed banks. However, we are aware that American taxpayers are providing every dollar involved in this complex program, and we clearly understand the importance of having the confidence of the American people in administering it. We will carry out as much of the SIG TARP's oversight responsibility as we can, with our current workload and resources, and will work with the Government Accountability Office to assure a complete and an independent look at the decisions and financial transactions that have occurred to date.

I would appreciate the opportunity to brief you, your members, and staff about our current level of engagement, our future oversight plans and our resource needs during this period. If you have questions or concerns, please call me on 202-622-1090.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric M. Thorson', with a long horizontal line extending to the right.

Eric M. Thorson
Inspector General

cc: Ranking Member Bachus