



OFFICE OF THE SPECIAL INSPECTOR GENERAL
FOR THE TROUBLED ASSET RELIEF PROGRAM
1801 L STREET, NW, 6TH FLOOR
WASHINGTON, D.C. 20220

June 17, 2009

Chairman Max Baucus
United States Senate
Committee on Finance
SD-219 Dirksen Senate Office Building
Washington, DC 20510-6200

Dear Chairman Baucus:

Thank you for your June 11, 2009, letter concerning government management of companies subject to large government ownership positions. In response to your letter and as part of our continuing oversight of the Troubled Asset Relief Program (“TARP”), the Office of the Special Inspector General for the TARP (“SIGTARP”) is initiating an audit of U.S. government intervention in the management of those financial institutions, such as AIG, GM, and GMAC, in which the U.S. government is approaching majority-owner status. The key questions to be addressed by the audit are:

- (1) What is the extent of government involvement in management of companies in which it has made sizeable investments to include government direction and control over such facets as governance, compensation, spending, and other corporate decision-making?
- (2) To what extent are effective risk management, internal controls, and monitoring in place to protect and balance the government’s interests in relation to corporate needs?
- (3) Are there performance measures in place that can be used to track progress against long-term goals and timeframes affecting the government’s ability to wind-down its investments and disengage from these companies?
- (4) Is there adequate transparency to support decision-making and provide full disclosure to the Congress and the public?

SIGTARP plans to coordinate its work in this area with other audit and oversight organizations in an effort to address all of the important issues raised by your letter quickly and efficiently.

Thank you for your continued commitment to oversight and transparency in the TARP and for your request for more information on this matter. I am, of course, available to discuss this issue

and any other audit that my office is working on with you at your convenience. Please do not hesitate to contact me if we can be of any further assistance.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Neil M. Barofsky', written in a cursive style.

NEIL M. BAROFSKY

Special Inspector General