

MOORE(KS)/LYNCH
040

AMENDMENT TO _____

OFFERED BY MR. MOORE OF KANSAS AND MR.
LYNCH OF MASSACHUSETTS

(to text of Committee Print of FSIA)

Page 18, line 8, strike "Representatives and" and insert "Representatives,".

Page 18, line 9, strike "Senate" and insert "Senate, and the Comptroller General of the United States".

Page 18, after line 19, add the following new subsection (and redesignate the subsequent subsection accordingly):

- 1 (b) EVALUATION OF ANNUAL REPORT BY GAO.—
- 2 Not later than 120 days after receiving the report required
- 3 by subsection (a), the Comptroller General of the United
- 4 States shall submit an evaluation of such report to the
- 5 Committee on Financial Services of the House of Rep-
- 6 resentatives and the Committee on Banking, Housing, and
- 7 Urban Affairs of the Senate.

Page 18, line 21, insert "and the Comptroller General of the United States" after "report".

At the end of subtitle A, add the following new section:

1 **SEC. 1008. OVERSIGHT BY GAO.**

2 (a) **AUTHORITY TO AUDIT.**—The Comptroller Gen-
3 eral of the United States may audit the activities and fi-
4 nancial transactions of—

5 (1) the Council; and

6 (2) any person or entity acting on behalf of or
7 under the authority of the Council, to the extent
8 such activities and financial transactions relate to
9 such person's or entity's work for the Council.

10 (b) **ACCESS TO INFORMATION.**—

11 (1) **IN GENERAL.**—Notwithstanding any other
12 provision of law, the Comptroller General of the
13 United States shall have access, upon request and at
14 such reasonable time and in such reasonable form as
15 the Comptroller General may request, to—

16 (A) any records or other information under
17 the control of the Council; or

18 (B) any records or other information under
19 the control of a person or entity acting on be-
20 half of or under the authority of the Council, to
21 the extent such records or other information is
22 relevant to an audit under subsection (a).

1 (2) CERTAIN INFORMATION SPECIFIED.—Access
2 under paragraph (1) includes access to—

3 (A) information provided to the Council by
4 its voting and nonvoting members under section
5 1101; and

6 (B) the identity of each financial company
7 identified under section 1103 for heightened
8 prudential standards.

9 (c) PERIODIC EVALUATIONS.—The Comptroller Gen-
10 eral of the United States shall periodically evaluate the
11 processes and activities of the Council and the extent to
12 which the Council is fulfilling its duties under this Act.
13 The Comptroller General shall submit to the Committee
14 on Financial Services of the House of Representatives and
15 the Committee on Banking, Housing, and Urban Affairs
16 of the Senate a report on the results of each such evalua-
17 tion.

18 (d) CONFIDENTIALITY.—Any committees or Mem-
19 bers of Congress receiving reports or other information
20 from the Comptroller General of the United States shall
21 maintain the confidentiality of any such information relat-
22 ing to—

23 (1) dispute resolutions undertaken under sec-
24 tion 1002, including the result of such dispute reso-
25 lutions; and

- 1 (2) financial companies identified under section
2 1103 for heightened prudential standards.

At the end of subtitle H, add the following new section:

3 **SEC. 1702. ADDITIONAL OVERSIGHT OF FINANCIAL REGULATORY SYSTEM.**
4

5 (a) **COUNCIL OF INSPECTORS GENERAL ON FINANCIAL OVERSIGHT.**—
6

7 (1) **ESTABLISHMENT AND MEMBERSHIP.**—

8 There is established a Council of Inspectors General
9 on Financial Oversight (in this section referred to as
10 the “Council of Inspectors General”) chaired by the
11 Inspector General of the Department of the Treasury
12 and composed of the inspectors general of the
13 following:

14 (A) The Board of Governors of the Federal
15 Reserve System.

16 (B) The Commodity Futures Trading
17 Commission.

18 (C) The Department of Housing and
19 Urban Development.

20 (D) The Department of the Treasury.

21 (E) The Federal Deposit Insurance Corporation.
22

23 (F) The Federal Housing Finance Agency.

1 (G) The National Credit Union Adminis-
2 tration.

3 (H) The Securities and Exchange Commis-
4 sion.

5 (I) The Troubled Asset Relief Program
6 (until the termination of the authority of the
7 Special Inspector General for such program
8 under section 121(h) of the Emergency Eco-
9 nomic Stabilization Act of 2008 (12 U.S.C.
10 5231(h))).

11 (2) DUTIES.—

12 (A) MEETINGS.—The Council of Inspec-
13 tors General shall meet not less than once each
14 quarter, or more frequently if the chair con-
15 siders it appropriate, to facilitate the sharing of
16 information among inspectors general and to
17 discuss the ongoing work of each inspector gen-
18 eral who is a member of the Council of Inspec-
19 tors General, with a focus on concerns that may
20 apply to the broader financial sector and ways
21 to improve financial oversight.

22 (B) ANNUAL REPORT.—The Council of In-
23 spectors General shall, each year within a time-
24 frame that permits consideration by the Finan-
25 cial Services Oversight Council (in this section

1 referred to as the “Oversight Council”) prior to
2 the submission of its report for such year under
3 section 1006, submit to the Oversight Council
4 and to Congress a report including—

5 (i) for each inspector general who is a
6 member of the Council of Inspectors Gen-
7 eral, a section within the exclusive editorial
8 control of such inspector general that high-
9 lights the concerns and recommendations
10 of such inspector general in such inspector
11 general’s ongoing and completed work,
12 with a focus on issues that may apply to
13 the broader financial sector; and

14 (ii) a summary of the general observa-
15 tions of the Council of Inspectors General
16 based on the views expressed by each in-
17 spector general as required by clause (i),
18 with a focus on measures that should be
19 taken to improve financial oversight.

20 (3) COUNCIL OF INSPECTORS GENERAL WORK-
21 ING GROUPS.—

22 (A) WORKING GROUPS TO EVALUATE
23 OVERSIGHT COUNCIL.—

24 (i) CONVENING A WORKING GROUP.—

25 The Council of Inspectors General may, by

1 majority vote, convene a Council of Inspec-
2 tors General Working Group to evaluate
3 the effectiveness and internal operations of
4 the Oversight Council.

5 (ii) PERSONNEL AND RESOURCES.—

6 The inspectors general who are members
7 of the Council of Inspectors General may
8 detail staff and resources to a Council of
9 Inspectors General Working Group estab-
10 lished under this subparagraph to enable it
11 to carry out its duties.

12 (iii) REPORTS.—A Council of Inspec-
13 tors General Working Group established
14 under this subparagraph shall submit reg-
15 ular reports to the Oversight Council and
16 to Congress on its evaluations pursuant to
17 this subparagraph.

18 (B) WORKING GROUPS FOR FINANCIAL
19 COMPANIES UNDERGOING RESOLUTION.—

20 (i) CONVENING A WORKING GROUP.—

21 The Council of Inspectors General shall
22 convene a Council of Inspectors General
23 Working Group for each financial company
24 for which the Secretary of the Treasury
25 appoints the Federal Deposit Insurance

1 Corporation as receiver under section
2 1604.

3 (ii) PERSONNEL AND RESOURCES.—

4 The inspectors general who are members
5 of the Council of Inspectors General may
6 detail staff and resources to a Council of
7 Inspectors General Working Group estab-
8 lished under this subparagraph to enable it
9 to carry out its duties.

10 (iii) REPORTS.—Not later than 270
11 days after the appointment of the Federal
12 Deposit Insurance Corporation as receiver
13 for the financial company for which a
14 Council of Inspectors General Working
15 Group is convened under clause (i), such
16 Working Group shall submit to the pri-
17 mary financial regulatory agency and to
18 Congress a report that includes—

19 (I) the reasons for such financial
20 company's failure;

21 (II) the reasons for the Secretary
22 of the Treasury's appointment of the
23 Federal Deposit Insurance Corpora-
24 tion as receiver for such financial
25 company; and

1 (III) recommendations for pre-
2 venting future failures of financial
3 companies.

4 (b) RESPONSE TO REPORT BY OVERSIGHT COUN-
5 CIL.—The Oversight Council shall include in its annual
6 report under section 1006 responses to the concerns raised
7 in the report of the Council of Inspectors General under
8 subsection (a)(2)(B) for such year.

Page 376, after line 14, add the following new sec-
tion (and redesignate the subsequent section accordingly):

9 **SEC. 1611. OFFICE OF RESOLUTION.**

10 (a) TRIGGER OF AND PLAN FOR ESTABLISHMENT.—

11 (1) TRIGGER.—If the Secretary appoints the
12 Corporation as receiver (which in this section is
13 deemed also to mean qualified receiver) for a finan-
14 cial company under section 1604, the Inspector Gen-
15 eral of the Corporation shall, as soon as possible
16 after such appointment, establish in accordance with
17 this section the Office of Resolution as an office
18 within the Office of the Inspector General of the
19 Corporation.

20 (2) PLAN.—The Inspector General of the Cor-
21 poration shall, in consultation with the Council of
22 Inspectors General on Financial Oversight estab-
23 lished under section 1702, formulate and maintain a

1 plan to allow for the timely establishment of an Of-
2 fice of Resolution in accordance with paragraph (1).
3 The Inspector General of the Corporation shall make
4 such plan available to the Financial Services Over-
5 sight Council established under section 1001.

6 (b) SPECIAL DEPUTY INSPECTOR GENERAL.—The
7 head of the Office of Resolution is the Special Deputy In-
8 spector General for Resolution (in this section referred to
9 as the “Special Deputy Inspector General”), who shall be
10 appointed by and report to the Inspector General of the
11 Corporation.

12 (c) DUTIES.—

13 (1) AUDITS AND INVESTIGATIONS.—It shall be
14 the duty of the Special Deputy Inspector General, in
15 consultation with and subject to the approval of the
16 Inspector General of the Corporation, to conduct,
17 supervise, and coordinate audits and investigations
18 of the activities of the Corporation in its capacity as
19 receiver for a financial company under section 1604,
20 including by collecting the following information:

21 (A) A description of each financial com-
22 pany for which the Corporation has been ap-
23 pointed as receiver under section 1604.

24 (B) A description of the activities and fu-
25 ture plans of the Corporation with respect to

1 each financial company for which it has been
2 appointed as receiver, and an analysis of wheth-
3 er such activities and plans conform to the re-
4 quirements of this subtitle and other applicable
5 law and are in the best interest of the overall
6 stability of the financial system.

7 (C) Such other information as the Special
8 Deputy Inspector General considers appro-
9 priate, in consultation with and subject to the
10 approval of the Inspector General of the Cor-
11 poration.

12 (2) ADDITIONAL DUTIES.—

13 (A) SYSTEMS, PROCEDURES, AND CON-
14 TROLS.—The Special Deputy Inspector General
15 shall establish, maintain, and oversee such sys-
16 tems, procedures, and controls as the Special
17 Deputy Inspector General considers appro-
18 priate, in consultation with and subject to the
19 approval of the Inspector General of the Cor-
20 poration, to discharge the duties under para-
21 graph (1).

22 (B) REPORTING OF CRIMINAL VIOLATIONS
23 TO ATTORNEY GENERAL.—If the Special Dep-
24 uty Inspector General, in carrying out this sec-
25 tion, discovers facts that give the Special Dep-

1 uty Inspector General reasonable grounds to be-
2 lieve there has been a violation of Federal
3 criminal law, the Special Deputy Inspector Gen-
4 eral shall expeditiously report such facts to the
5 Attorney General.

6 (C) MINIMIZING DUPLICATION OF EF-
7 FORT.—The Inspector General of the Corpora-
8 tion and the Special Deputy Inspector General
9 shall coordinate to minimize duplication of ef-
10 fort in the oversight of the Corporation's activi-
11 ties as receiver for financial companies under
12 section 1604.

13 (3) DUTIES UNDER THE INSPECTOR GENERAL
14 ACT OF 1978.—In addition to the duties specified in
15 paragraphs (1) and (2), the Special Deputy Inspec-
16 tor General shall assist the Inspector General of the
17 Corporation in carrying out such duties and respon-
18 sibilities of inspectors general under the Inspector
19 General Act of 1978 as the Inspector General of the
20 Corporation considers appropriate.

21 (d) AUTHORITIES UNDER THE INSPECTOR GENERAL
22 ACT OF 1978.—The Inspector General of the Corporation
23 may confer on the Special Deputy Inspector General such
24 authorities provided to the Inspector General of the Cor-
25 poration in section 6 of the Inspector General Act of 1978

1 as the Inspector General of the Corporation considers nec-
2 essary to enable the Special Deputy Inspector General to
3 carry out the duties specified in subsection (c).

4 (e) PERSONNEL, FACILITIES, AND OTHER RE-
5 SOURCES.—

6 (1) IN GENERAL.—The Special Deputy Inspec-
7 tor General may, in consultation with and subject to
8 the approval of the Inspector General of the Cor-
9 poration, expend such amounts from the fund estab-
10 lished under section 1609(n) as are necessary to
11 carry out the duties described in subsection (c) and
12 to submit the reports required by subsection (h).

13 (2) ADDITIONAL FUNDS.—If the fund estab-
14 lished under section 1609(n) is insufficient to enable
15 the Special Deputy Inspector General to begin car-
16 rying out the duties of the Special Deputy Inspector
17 General in a timely fashion or later becomes insuffi-
18 cient to enable the Special Deputy Inspector General
19 to carry out such duties, the Inspector General of
20 the Corporation shall detail the necessary personnel,
21 facilities, or other resources to the Special Deputy
22 Inspector General.

23 (f) CORRECTIVE RESPONSES TO AUDIT PROB-
24 LEMS.—The Chairman of the Corporation shall—

1 (1) take action to address deficiencies identified
2 by a report or investigation of the Special Deputy
3 Inspector General; or

4 (2) certify to the appropriate committees of
5 Congress that no action is necessary or appropriate.

6 (g) COOPERATION AND COORDINATION WITH OTHER
7 ENTITIES.—In carrying out the duties, responsibilities,
8 and authorities of the Special Deputy Inspector General
9 under this section, the Special Deputy Inspector General
10 shall work with each of the inspectors general who is a
11 member of the Council of Inspectors General on Financial
12 Oversight established under section 1702(a)(1), in order
13 to avoid duplication of effort and ensure comprehensive
14 oversight of the Corporation's activities as a receiver ap-
15 pointed under section 1604.

16 (h) REPORTS.—

17 (1) IN GENERAL.—In lieu of the semiannual re-
18 ports required by section 5(a) of the Inspector Gen-
19 eral Act of 1978, the Special Deputy Inspector Gen-
20 eral shall submit to the appropriate committees of
21 Congress at the following times a report prepared in
22 consultation with and approved by the Inspector
23 General of the Corporation:

1 (A) Not later than 30 days after the ap-
2 pointment of the Special Deputy Inspector Gen-
3 eral.

4 (B) During the first 3 years after such ap-
5 pointment, not later than 30 days after the end
6 of each fiscal quarter during which the Cor-
7 poration acts as receiver for a financial com-
8 pany under section 1604.

9 (C) During the 4th year after such ap-
10 pointment and each year thereafter, not later
11 than 30 days after the end of the 2nd and the
12 4th fiscal quarters, if the Corporation acts as
13 receiver for a financial company under section
14 1604 during such semiannual period.

15 (2) CONTENT OF REPORTS.—Each report re-
16 quired by paragraph (1) shall include a summary,
17 for the period since the last required report (or, in
18 the case of the first report, for the period since the
19 Corporation was first appointed as a receiver under
20 section 1604) of—

21 (A) the activities of the Special Deputy In-
22 spector General; and

23 (B) the activities and future plans of the
24 Corporation with respect to each financial com-
25 pany for which it served as receiver.

1 (i) TERMINATION.—The Office of Resolution shall
2 terminate 6 months after the Corporation ceases to serve
3 as a receiver for any financial company under section
4 1604, subject to reestablishment pursuant to subsection
5 (a)(1).

