



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

November 17, 2008

The Honorable Charles E. Grassley
Ranking Member
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, D.C. 20510-6200

By FAX to 202-228-1703 and by First Class Mail

Dear Senator Grassley:

This responds to your November 14, 2008 request that my office conduct an inquiry into the circumstances of the Treasury Department's issuance of Notice 2008-83 in the October 20 Internal Revenue Bulletin. The Notice concerns the applicability of Internal Revenue Code § 382(h) to banks. Your questions had to do with the process by which this Notice was conceived, developed, and issued; you also expressed concern about possible conflicts of interest for certain current and former officials of the Department, as well as employees of certain banks.

As a preliminary step, my office is looking into the Notice's creation process, to determine if it comported with the Department's standard procedures. I will keep you advised of our progress.

Please call me on 202-622-1090 if you have questions, or your staff can call my Counsel, Rich Delmar on 202-927-3973 or 202-528-8997 (cell).

Sincerely,

Eric M. Thorson
Inspector General