

The inspector general tasked with overseeing and auditing the Federal Reserve knows pretty much nothing about what the Fed is doing. That's the conclusion that comes from watching the exchange Tuesday between Rep. Alan Grayson (D-Fla.) and inspector general Elizabeth A. Coleman.

Coleman could not tell Grayson what kind of losses the Fed has so far suffered on its \$2 trillion portfolio, which has greatly expanded since September.

She appeared unaware that the Fed engages in trillions of dollars in off-balance-sheet exchanges.

She is not investigating the role of the Fed in allowing the collapse of Lehman Brothers.

She did not know where the Fed has invested its \$2 trillion on the liability side of the balance sheet. "I do not know. We have not looked at that specific area at this particular point on," she said.

"We do not have jurisdiction to directly go out and audit reserve bank activities specifically," she said, though the IG's Web site proudly declares that her office "conducts independent and objective audits, inspections, evaluations, investigations, and other reviews related to programs and operations of the Board of Governors of the Federal Reserve System."

Contacted by the Huffington Post, Coleman was in a meeting and unavailable for comment.

[Watch the exchange:](#)