



MEMORANDUM

To: Reporters and Editors
From: Carol Guthrie for Finance Chairman Baucus (D-Mont.)
Re: Baucus plan for special Inspector General in Treasury legislation

Thirty-two Senators of both parties have joined Finance Chairman Baucus in his call for a Special Inspector General to oversee any program funding Treasury Department purchases of assets in the U.S. financial markets. In a letter to Senate and House leaders today, the Senators called for a provision creating a Special Inspector General in any Treasury legislation the Congress may consider. Baucus first publicly proposed the creation of the Special Inspector General on Monday, September 22.

"I don't like bailouts, and I certainly wasn't okay with the blank-check request that first came to Congress from the Treasury. If Congress does pass legislation - and I will have to look at it closely - creating a Special Inspector General will make any program more accountable to taxpayers," said Baucus. **"My bottom line here is protecting taxpayers, and making sure Main Street doesn't get stuck for the mistakes of Wall Street. A Special Inspector General could keep watch over every taxpayer dollar spent, and stop more waste, fraud, and abuse in the middle of this mess."**

The text of the Senators' letter follows here. A copy will be posted shortly to the Finance Committee website.

September 25, 2008

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable John A. Boehner
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Madam and Sirs:

We write to urge you to include in any legislation funding federal purchases of troubled assets a provision creating a Special Inspector General to oversee the emergency efforts of the Treasury Department. The most rigorous oversight possible must accompany this legislation if Congress is to approve a program that puts taxpayer dollars at risk.

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This effort to take billions in bad assets off the books of America's financial institutions is destined to be one of the most complex and difficult tasks ever undertaken. Congress owes American taxpayers the strongest oversight possible – not just after the task begins, but as it is planned. Proper oversight will require not only our constant effort, but the full time attention of an office with only one task: to monitor this extremely complex effort with a team of expert personnel who will not be distracted by other duties. This office must be given the power to investigate and audit, with the ability to issue subpoenas for any necessary documents. It must report to Congress a complete set of facts about the activities of the Treasury Department and its contractors every 120 days. Timely, comprehensive and independent reporting is critical to good oversight.

This proposal is based on the Special Inspector General appointed to investigate waste, fraud, and abuse in the Iraq reconstruction program – an office that has worked in extremely challenging circumstances. But this Special Treasury Inspector General would be on the job long before waste, fraud, and abuse has a chance to take hold in the Treasury program.

The Special Inspector General would be nominated by the President within 30 days of passage of the financial market rescue plan. Once confirmed by the Senate, the Inspector General will appoint Assistant Inspectors General for Auditing and for Investigations, and will have the authority to hire other staff and to contract with outside entities. The Office would be charged with collecting the following information:

- categories of assets purchased (or procured by some other method)
- a list of assets in each category
- an explanation of how the assets were valued
- an explanation of why it was necessary to purchase each asset or groups of assets
- a list of financial institutions from which the assets were purchased
- a list of and information on each person or entity hired to purchase and manage the assets
- a current estimate of the total purchases made, the amount of assets on the books of the Treasury, the amount of assets sold and the profit and loss incurred on each sale or disposition.

The administration is asking the American people to put up \$700 billion in a crisis, to execute a rescue plan for a faltering financial system. If Americans are to assume that level of risk, they deserve the action and advocacy of a team that wakes up every morning with one mission in mind: to track in the greatest detail possible the efforts of the Treasury Department in order to hold the officials executing the plan accountable, allowing Congress to properly monitor this unprecedented effort.

We urge you to include this proposal in any Treasury legislation the Congress considers in the coming days.

Sincerely,

Max Baucus
John Rockefeller
Kent Conrad
Tom Harkin
Gordon Smith
Ben Cardin
Blanche Lincoln
Carl Levin
Hillary Rodham Clinton
Olympia Snowe
Bill Nelson
George Voinovich
Ken Salazar
Frank Lautenberg
Tom Coburn
Amy Klobuchar
Lisa Murkowski

Charles Grassley
John Kerry
Patrick Leahy
Barbara Boxer
Pat Roberts
Claire McCaskill
Larry Craig
Ben Nelson
Thomas Carper
Susan Collins
John Barrasso
Diane Feinstein
Debbie Stabenow
Michael Enzi
Sheldon Whitehouse
Norm Coleman

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