

For Immediate Release

Friday, May 1, 2009

Senators work to improve oversight of TARP

WASHINGTON --- Senators Chuck Grassley and Max Baucus have filed an amendment that would require companies who have taken tax dollars from the Troubled Asset Relief Program (TARP) to cooperate with requests for information from the Government Accountability Office (GAO) about the use of the money.

The amendment has been offered to housing legislation under consideration by the Senate.

“The original TARP legislation tells GAO to regularly report on the performance of the program, but it doesn’t require participants in the program to respond to requests for information from the GAO. The GAO’s hands are tied, and that’s not good for the taxpayers, who have so much at stake with the rescue effort,” Grassley said. “Our amendment gives GAO access to information, which means there will be greater transparency and accountability.”

“The task of tracking billions of taxpayer dollars through numerous transactions at hundreds of institutions is monumental. GAO has the right and responsibility, on behalf of the American people, to access all information relating to these transactions,” said Baucus. “This amendment will help ensure the climate of transparency and accountability that taxpayers deserve and expect.”

The underlying housing bill, S.896, is written to ease eligibility restrictions in a \$300 billion housing program enacted last summer. It would also increase the FDIC’s borrowing authority and extend for four years an increase in FDIC deposit insurance, which is scheduled to expire at the end of this year.

A floor statements by Grassley regarding the amendment to strengthen the GAO’s ability to oversee the TARP is below. Baucus is Chairman of the Senate Committee on Finance, and Grassley is Ranking Member.

Floor statement of U.S. Senator Chuck Grassley of Iowa
Amendment to give GAO access to information from TARP participants
Thursday, April 30, 2009

Mr. GRASSLEY: Mr. President, it is no secret that I have worked for decades to bring greater transparency and accountability to all facets of government operations. If there is one thing that I have learned over those years it is that you cannot achieve the goal of greater transparency and accountability without access to information.

During this financial crisis, we hear daily about the need for many more billions in federal funds to save this bank or that financial firm. In response to the crisis the Treasury Department is

buying stakes in banks and other companies. That program is known as the Troubled Asset Relief Program—or TARP. It is costing the American taxpayer nearly three quarters of a trillion dollars. Transparency and accountability has never been more important than with a program that big.

In an effort to provide some accountability to the American people for TARP funds, the Government Accountability Office (GAO), the investigative arm of Congress, was required by legislation to conduct oversight of the TARP program.

The GAO's mission is to look at the overall performance of the initiative and its impact on the financial system. The GAO is also required to prepare regular reports for Congress.

However, GAO cannot do its job effectively without access to information about how the funds are used. This should be obvious. Unfortunately, however, the bill that created the TARP and told GAO to oversee it, did not give them the authority to access books and records of the private firms who receive TARP money.

In January, Senator Baucus and I introduced a bill, S. 340, to provide the GAO the ability to access the books and records of firms who received money from the TARP. Senator Snowe is also a co-sponsor of the bill, known as the TARP Enhancement Act. Unfortunately, my colleagues on the Banking Committee have not yet taken any action on the bill.

Amendment #1020 is simply the text of S. 340. It would ensure that companies who receive assistance from the American taxpayer are required to cooperate with requests for information from the Government Accountability Office about how they used taxpayer money.

The GAO is supposed to be the “eyes and ears” of Congress—well it can't do that job wearing blinders and ear plugs. So, I urge my colleagues to support Amendment #1020, to ensure that GAO has access to TARP recipients' books and records.