



For Immediate Release
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Grassley Continues to Press Treasury on TARP Oversight, AIG Payments

WASHINGTON – Sen. Chuck Grassley, ranking member of the Committee on Finance, is seeking assurances from the Treasury Department that oversight of the \$700 billion financial bailout program is as strong as possible. Grassley asked for answers from a key Treasury nominee before the committee is scheduled to vote on the nomination.

“Nine months into this program, the Treasury Department has repeatedly failed to adopt recommendations that the special inspector general says are essential to basic transparency and fulfilling Treasury’s stated commitment to spend \$700 billion ‘with the highest degree of accountability and transparency possible,’ ” Grassley said. “The inspector general says there are at least four major recommendations that have not been adopted. Treasury needs to explain to taxpayers why it’s easy to spend money but impossible to account for it.”

Last night, Grassley posed a series of follow-up questions to George Madison, nominated to be general counsel for the Department of the Treasury, and asked for answers by Thursday morning, when the Finance Committee is scheduled to vote on whether to recommend the nomination to the full Senate.

Grassley was an advocate for creating a special inspector general for the Troubled Assets Relief Program (TARP) to try to hold the program accountable and co-sponsored legislation to strengthen the ability of the special IG to conduct oversight after the TARP program changed its original mission. Earlier this year, Grassley also battled the White House after it tried to subject requests of the special IG to the red tape of the Paperwork Reduction Act.

The text of Grassley’s latest questions to Treasury nominee Madison follows here:

Thank you for your responses to my questions concerning bonus payments to AIG executives. I have further questions on this issue.

In response to my question whether \$2.4 million had been paid in bonuses on July 15, you stated that "I have been advised that AIG did not make any bonus payments to its senior executives on or around July 15, 2009."

Who advised you of that fact and what is that person's position? When were you so advised? Were you told that during a verbal briefing or is there a document you could provide to me? If there is a document please provide it.

What is the current and likely future status of these bonuses? Is there a possibility that these bonuses will be paid at a later date? Has there been a final determination as to the status of these bonuses? If not, will any determinations be made in the future and how and when will those determinations be made? What are your thoughts on these bonuses generally and whether it is appropriate for executives of a failed company to collect bonuses at taxpayer's expense? Do you personally believe there are any circumstances under which it is appropriate for executives whose actions have made their company dependent on taxpayer's money to receive bonus money?

Earlier today before the House Committee on Oversight and Government Reform, Neil Barofsky Special Inspector General for the Troubled Asset Relief Program, testified that "Although Treasury has taken some steps towards improving transparency in TARP programs, it has repeatedly failed to adopt recommendations that SIGTARP believes are essential to providing basic transparency and fulfill Treasury's stated commitment to implement TARP "with the highest degree of accountability and transparency possible."

Please detail which of the SIGTARP's recommendations Treasury has declined to implement, and explain in detail how each of the recommendations was reviewed and why they were not implemented. In responding to this question please provide the Committee all communications (e-mails, letters, notes) relating directly or indirectly to the SIGTARP's recommendations.

The "Emergency Economic Stabilization Act" (EESA) included restrictions on executive compensation and the Treasury department released guidance on those restrictions on October 14, 2008. Do you believe that paying out of the \$2.4 million, and the \$235 million next year, would be allowable under the letter and spirit of that guidance if those bonus payments were approved? What will you do to ensure that the executive compensation provisions of EESA are fully and consistently implemented?