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**FINANCE PANEL RECEIVES UPDATE ON ISSUES,
OVERSIGHT OF TROUBLED ASSET RELIEF PROGRAM**

*Baucus presses witnesses on TARP engagements,
encourages aggressive tracking of Americans' tax dollars*

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today welcomed the first six-month update from witnesses representing the key oversight bodies responsible for tracking the use of taxpayer dollars as part of the U.S. Treasury Department's Troubled Asset Relief Program (TARP). The TARP was created as part of the Emergency Economic Stabilization Act of 2008 (EESA) to help stabilize the U.S. financial sector and unlock credit markets. During the hearing, Baucus underscored the scope of the challenge in accounting for TARP funds and asked what additional authority is needed to better scrutinize the major areas of TARP involvement.

"This is one of the greatest oversight challenges in American history. It is critical that we understand how taxpayer money is being used, and we need to give the oversight bodies the right tools to be effective. I'm focused on making sure that these TARP funds are spent wisely and appropriately, and if that means leaning on the Treasury and Federal Reserve to be more forthcoming and transparent, then so be it," said Baucus. **"We owe it to the American people to clearly explain what's going on here, to explain where their hard-earned dollars are going and why. The TARP program is now estimated to be nearly \$3 trillion when funds from the Federal Reserve are added – that's about the size of last year's entire Federal budget. Oversight by the Special Inspector General and others is essential to such a massive program. I've asked our witnesses to keep me informed about what Congress can do to help them get the job done."**

Baucus also inquired whether guidelines were given to TARP participants regarding their use of Federal dollars. Neil Barofsky, Special Inspector General of the TARP, indicated that no guidelines had been provided by Treasury beyond certain restrictions on executive compensation paid by participating firms, a limitation that Baucus championed as part of EESA. Barofsky said some firms had used the money to increase lending as intended by the program, while others used funds to pay debts to other banks.

Additionally, Baucus asked if panelists were seeking details of payments made by American International Group (AIG) to its European counterparties, as well as information about excessive bonuses paid to employees. Senator Baucus and Senator Grassley recently introduced legislation to impose an excise tax on excessive bonuses paid by firms receiving TARP funds. Barofsky said his office intends to announce an audit of AIG this week.

Baucus was responsible for creating the independent office of TARP Special Inspector General to protect against waste, fraud, and abuse in the Treasury's program.

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