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Capital Markets Subcommittee Hearing Statement addressed to Mr. Edward Liddy,
Chairman and Chief Executive Officer for American International Group.

March 18, 2009

Mr. Liddy, I understand you stepped into your current role at AIG after the company's tremendously risky behavior undermined its solvency and forced the Federal Reserve to step in and prevent systemic failures. I respect your willingness to step in and lead the company forward responsibly during this time of crisis. However, I believe that significantly more could have been done to prevent those responsible for this catastrophe from being rewarded with taxpayer funded bonuses.

Before the current bonus controversy, your company paid for spa treatments, retreats and hunting trips after receiving federal assistance. Now, your company is hiding behind the Connecticut Wage Act to appear guiltless in paying out these bonus contracts. The American people are not fooled.

You contend that these extravagant bonuses help retain the best and brightest in the industry. Mr. Liddy, the employees in your financial products division who are receiving bonus payments are the same employees who wrote the credit default swaps that have exposed your company and our financial system to huge losses. I would hardly say their service to our financial markets will be missed.

Because of your company's actions, federal efforts to stabilize our economy in this most severe of times have been vilified. We are not a country that believes in rewarding the failures of the Wall Street elite at the expense of hardworking taxpayers. Yet, the American public perceives this to be the case and believes we are supporting a double standard.

While our nation's auto companies have received \$17 billion in federal assistance to date, your company has required a record \$170 billion. While middle class autoworkers have been forced to renegotiate their contracts – to cut their pay, eliminate their bonuses and freeze cost-of-living adjustments – your company pays out big for wildly irresponsible behavior.

Mr. Liddy, I recognize AIG's downfall began before you took the helm. As current CEO, however, it is your responsibility to show your employees the error in this decision and compel them to turn down these bonuses. Trust us when we say that Congress and the Administration will pursue every legal avenue to recoup these funds. We are not asking you politely, we are telling you to fix it, or we will.