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Opening Statement

Rep. Elijah E. Cummings, Ranking Member

Committee on Oversight and Government Reform

Subcommittee on TARP, Financial Services and Bailouts of Public and Private Programs

Hearing on "The Administration's Auto Bailouts and the Delphi Pension Decisions: Who Picked Winners and Losers?"

July 10, 2012

I want to thank the witnesses for being here, and for their service to the country. These former members of the Auto Task Force were part of the Obama Administration's successful rescue of the American automotive industry.

In December 2008, an analysis by the Economic Policy Institute projected that the bankruptcy of U.S. automakers and a collapse of the domestic auto assembly industry "could eliminate up to 3.3 million U.S. jobs within the next year." The collapse of General Motors alone would lead to an estimated loss of 900,000 jobs.

That calamity was averted by the actions of you on the Obama Administration's Auto Task Force. For that, you deserve our thanks.

Today's hearing is not focused on these successes, but on why these three individuals have not yet been interviewed by the Special Inspector General for the Troubled Asset Relief Program (SIGTARP), which is conducting a review of the Auto Task Force's work.

I recognize that they are private citizens now and are under no obligation to speak with the Inspector General. But we support the Inspector General's office and want them to complete their work. As I understood it, this was the principal reason we were holding today's hearing.

However, in preparing for the hearing, my staff contacted each of these three former officials, and all three said they were willing to meet with the Inspector General. So Ranking Member Quigley and I wrote to the Chairman yesterday suggesting that we postpone today's hearing and allow those interviews to proceed.

The Chairman apparently has decided to go forward today, which is his right. But as a result, we do not have the benefit of the Inspector General's final report. I think this could have been handled with a few phone calls rather than a hearing, but that is not my call to make.

Mr. Chairman, if you are going to proceed, I ask that you do so on an even-handed basis. There is another case, almost exactly like this one, in which an Inspector General has conducted a review, has sought to interview a former official, and has been refused.

Unlike the present case, however, there is substantial evidence of serious abuses, as well as unethical and potentially illegal conduct in that case.

On two occasions, I have written to Chairman Issa about findings by the Inspector General of the National Labor Relations Board that a former Board member, Peter Schaumber, was regularly receiving deliberative, pre-decisional, inside information from another Board member, Peter Flynn.

The Inspector General warned that Mr. Schaumber had received copies of draft Board decisions and other deliberative information on pending Board actions. Yet, the Inspector General was never able to conduct an interview of Mr. Schaumber, who was a former employee.

It seems to me that the only difference with that case is that it involved a Republican. Mr. Schaumber served as a senior adviser and co-chair of the Labor Policy Advisory Group to presidential candidate Mitt Romney when he was engaged in these activities.

As I stated at the outset, I strongly support our Inspectors General, and I believe our Committee should help them when they cannot obtain access to information.

So, Mr. Chairman, I would like to ask you now, will you support my request for a hearing with Mr. Schaumber to obtain his testimony? Will you join me in requesting that the Committee call him before us just like you called these three gentlemen before us today? Will you commit to conducting the operations of this Committee on an even-handed basis? Will you help investigate alleged abuses regardless of whether they are committed by Republicans or Democrats?

I yield to the gentleman for his answer.

I ask unanimous consent that my two previous letters on this topic be entered into the record. We have been asking for this since March, Mr. Chairman, and I see no difference between these cases, other than the gentlemen here today have all agreed to be interviewed by the Inspector General, while Mr. Schaumber has not.

Contact: Ashley Etienne, Communications Director, (202) 226-5181.