

DIRECTING THE SECRETARY OF THE TREASURY TO TRANSMIT TO THE HOUSE OF REPRESENTATIVES ALL INFORMATION IN HIS POSSESSION RELATING TO SPECIFIC COMMUNICATIONS WITH AMERICAN INTERNATIONAL GROUP, INC. (AIG)

APRIL 23, 2009.—Referred to the House Calendar and ordered to be printed

Mr. FRANK of Massachusetts, from the Committee on Financial Services, submitted the following

## R E P O R T

together with

### ADDITIONAL VIEWS

[To accompany H. Res. 251]

The Committee on Financial Services, to whom was referred the resolution (H. Res. 251) directing the Secretary of the Treasury to transmit to the House of Representatives all information in his possession relating to specific communications with American International Group, Inc. (AIG), having considered the same, report favorably thereon without amendment and recommend that the resolution be agreed to.

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### PURPOSE AND SUMMARY

H. Res. 251, directs the Secretary of the Treasury to transmit to the House, within fourteen days of adoption, all information in his

possession referring or relating to: (i) any negotiation concerning the controlled break-up of the American International Group, Inc. (AIG); (ii) any negotiation concerning any additional assistance under title I of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5201 et seq.) or other program administered by the Secretary to AIG; or (iii) any Government communication or authorization for payment of any pre-existing bonus contract with any executive of AIG.

#### BACKGROUND AND NEED FOR LEGISLATION

H. Res. 251 is a resolution of inquiry which, pursuant to clause 7 of rule XIII of the Rules of the House of Representatives, directs the Committee to act on the resolution within 14 legislative days or a privileged motion to discharge the Committee is in order.

Under the Rules and precedents of the House, a resolution of inquiry is one of the methods used by the House to obtain information from the executive branch. According to volume 7, chapter 24, section 8 of Deschler's Procedure, it is a "simple resolution making a direct request or demand of the President or the head of an executive department to furnish the House of Representatives with specific factual information in the possession of the executive branch."

#### HEARINGS

The Committee has held no hearings on H. Res. 251 itself. However, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing on March 18, 2009, entitled "American International Group's Impact on the Global Economy: Before, During and After Federal Intervention." The following witnesses testified: Mr. Scott Polakoff, Acting Director, Office of Thrift Supervision; the Honorable Joel Ario, Insurance Commissioner, Pennsylvania Insurance Department, on behalf of the National Association of Insurance Commissioners; Ms. Orice M. Williams, Director, Financial Markets and Community Investment, Government Accountability Office; Mr. Rodney Clark, Managing Director, Insurance Ratings, Standard & Poor's; and Mr. Edward M. Liddy, Chairman and Chief Executive Officer, American International Group.

Also, the Committee on Financial Services held a hearing on March 24, 2009, entitled "Oversight of the Federal Government's Intervention at American International Group." The following witnesses testified: The Honorable Timothy F. Geithner, Secretary of the Treasury; The Honorable Ben S. Bernanke, Chairman, Board of Governors of the Federal Reserve System; and Mr. William C. Dudley, President and Chief Executive Officer, Federal Reserve Bank of New York.

#### COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on March 25, 2009, and on March 26, 2009, ordered H. Res. 251 reported to the House with a favorable recommendation.

#### COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion

to report legislation and amendments thereto. A motion by Mr. Frank to report the resolution to the House with a favorable recommendation was agreed to by a record vote of 64 yeas and 0 nays (Record vote No. FC–10). The names of Members voting for and against follow:

## RECORD VOTE NO. FC–10

Representative	Aye	Nay	Present	Representative	Aye	Nay	Present
Mr. Frank	X			Mr. Bachus	X		
Mr. Kanjorski	X			Mr. Castle			
Ms. Waters				Mr. King (NY)	X		
Mrs. Maloney	X			Mr. Royce	X		
Mr. Gutierrez	X			Mr. Lucas	X		
Ms. Velázquez	X			Mr. Paul	X		
Mr. Watt	X			Mr. Manzullo	X		
Mr. Ackerman	X			Mr. Jones	X		
Mr. Sherman	X			Mrs. Biggert	X		
Mr. Meeks	X			Mr. Miller (CA)			
Mr. Moore (KS)	X			Mrs. Capito	X		
Mr. Capuano	X			Mr. Hensarling	X		
Mr. Hinojosa				Mr. Garrett (NJ)	X		
Mr. Clay				Mr. Barrett (SC)	X		
Mrs. McCarthy	X			Mr. Gerlach	X		
Mr. Baca	X			Mr. Neugebauer	X		
Mr. Lynch	X			Mr. Price (GA)	X		
Mr. Miller (NC)	X			Mr. McHenry	X		
Mr. Scott	X			Mr. Campbell	X		
Mr. Green	X			Mr. Putnam	X		
Mr. Cleaver	X			Mrs. Bachmann	X		
Ms. Bean	X			Mr. Marchant	X		
Ms. Moore (WI)	X			Mr. McCotter	X		
Mr. Hodes	X			Mr. McCarthy	X		
Mr. Ellison	X			Mr. Posey	X		
Mr. Klein	X			Ms. Jenkins	X		
Mr. Wilson	X			Mr. Lee	X		
Mr. Perlmutter	X			Mr. Paulsen			
Mr. Donnelly	X			Mr. Lance	X		
Mr. Foster	X						
Mr. Carson	X						
Mr. Speier	X						
Mr. Childers	X						
Mr. Minnick	X						
Mr. Adler	X						
Ms. Kilroy	X						
Mr. Driehaus	X						
Ms. Kosmas							
Mr. Grayson	X						
Mr. Himes	X						
Mr. Peters	X						
Mr. Maffei	X						

No amendments were considered during the consideration of the resolution.

## COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee made findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated into the descriptive portions of this report.

## PERFORMANCE GOALS AND OBJECTIVES

Consistent with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee establishes the following performance related goals and objectives for this legislation:

H. Res. 251 is intended to direct the Secretary of the Treasury to produce materials related to federal intervention at AIG in order to assist the Committee in its oversight capacity.

## NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that this legislation would result in no new budget authority, entitlement authority, or tax expenditures or revenues.

## FEDERAL MANDATES STATEMENT

H. Res. 251 contains no unfunded mandates.

## ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

## APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

## EARMARK IDENTIFICATION

H. Res. 251 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

## SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

H. Res. 251 directs the Secretary of the Treasury to transmit to the House, within fourteen days of adoption, all information in his possession referring or relating to: (i) any negotiation concerning the controlled break-up of the American International Group, Inc. (AIG); (ii) any negotiation concerning any additional assistance under title I of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5201 et seq.) or other program administered by the Secretary to AIG; or (iii) any Government communication or authorization for payment of any pre-existing bonus contract with any executive of the AIG.

## ADDITIONAL VIEWS

Committee Republicans are unanimous in their support of H. Res. 251, a Resolution of Inquiry introduced by Representatives LaTourette (OH) and McCotter (MI), which directs the Treasury Secretary to provide the House of Representatives all information relating to the government's interaction with American International Group (AIG), and its bonuses, within 14 days.

Like hard-working American families, Committee Republicans are extremely disappointed by the recent bonuses going to institutions that have received massive government bailouts, and have been advocating against releasing further taxpayer dollars without commonsense taxpayer protections and safeguards.

While Committee Republicans were pleased that the Majority joined with us in unanimously supporting this important resolution, we are concerned that the Majority's report focuses too narrowly on the legislative text, rather than fully evaluating the sequence of events that led to the AIG bonuses. The Majority fails to ask the important questions that every American taxpayer deserves to have answered.

Most Committee Republicans agreed with President Obama's action, instructing Treasury to block the AIG bonuses from going to some of the same people who helped create this financial crisis, even though days earlier, his top economic advisor, Larry Summers, announced that there was nothing the Administration could do.

We have learned that the Administration worked to add a provision to the so-called stimulus legislation that ensured these bonuses would be paid. Specifically, a bipartisan amendment written by Senators Olympia Snowe (ME) and Ron Wyden (OR) that would have forced AIG to pay nearly \$58 million in taxes on top executive bonuses was stripped from the legislation before the stimulus conference report was brought to the Senate floor. In its place, an amendment by Senator Dodd (CT) was inserted, which exempted "contractually obligated bonuses agreed to on or before February 11, 2009" from the executive compensation restrictions contained in the bill. This amendment specifically allowed the bonuses for AIG executives.

We recommend that important questions, inherent to this resolution, are answered, including: How did this happen? Who called for and wrote the provision into the stimulus, and why? Who in the Administration authorized Treasury officials to approach Senator Dodd about including the AIG bonus-enabling provision? And who were the individuals who made these far-reaching decisions? These are all questions that American taxpayers deserve to have answered.

We also believe that it is imperative that the Treasury clarify what top officials knew about the AIG bonuses and when they

knew it. Recently, Secretary Geithner reiterated that he first learned of these bonuses on March 10, 2009. However, there is video confirming that these bonuses were raised to him before the Ways and Means Committee on March 3, 2009. While the Federal Reserve acknowledged they were told last fall and that the bonuses were listed in AIG's 3rd quarter SEC filing last year, the public has yet to receive a straight answer from Treasury as to when they first learned of these bonuses.

We thank every member of the Committee for supporting this resolution of inquiry. This commonsense resolution directs Treasury to provide Congress all information related to the AIG's break up, the need for the fourth bailout of the company, and all communications related to the payment of the bonuses within 14 days. American taxpayers have been forced to commit \$170 billion in their hard-earned monies to support AIG. Anything less than securing answers and explanations to all of these questions would be unacceptable.

SPENCER BACHUS.  
SCOTT GARRETT.  
KENNY MARCHANT.  
RANDY NEUGEBAUER.  
MICHAEL N. CASTLE.  
BILL POSEY.  
JUDY BIGGERT.  
ED ROYCE.  
DONALD MANZULLO.  
MICHELE BACHMANN.  
THADDEUS MCCOTTER.  
RON PAUL.