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COMMITTEE ON THE BUDGET

Congress of the United States
House of Representatives

September 6, 2016

Director James Comey
Federal Bureau of Investigations
935 Pennsylvania Ave, NW
Washington, DC 20535

Dear Director Comey:

The 2008 financial crisis was the worst economic disaster since the Great Depression. Spurred by reckless lending and fraudulent activity at the highest level among major Wall Street institutions, nineteen trillion dollars in household wealth was lost. Unemployment peaked at 10.1% in October 2009. Credit tightened and spending froze, and foreclosures swept the nation. And without government intervention, of the 13 largest financial institutions in the United States, 12 may have failed completely.

The FBI, as early as 2004, expressed concerns about mortgage industry practices. It has been reported that the agency identified suspected mortgage fraud more widely by 2008. It was at this point that the agency opened criminal inquiries into at least 14 companies as part of its investigation into the subprime-mortgage crisis. Reports indicate that the agency focused on accounting fraud, securitization of loans, and insider trading.

However, several years later, no senior executives have been charged.

There remains public interest in whether financial institutions committed illegal activities, such as those cited in settlements under the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA).

It is known that Merrill Lynch understated its mortgage holdings risk by hundreds of billions of dollars. Lehman Brothers misled investors about the company's financial position immediately before its collapse. Bear Stearns executives may have kept profits that should have gone to investors to offset losses. And mortgage securities fraud has been alleged at Countrywide and A.I.G.

While the Department of Justice and SEC have secured financial settlements from several major financial institutions in recent years, the investigations into potential criminal activity remain hidden from the public. Since 2009, 49 financial institutions have paid billions in fines and settlements to the government and private plaintiffs. (In some cases, these settlements paid by corporations were treated as tax-deductible corporate expenses.)

Due to the public interest in this issue and the role of Congress to provide oversight, I write to request the FBI's investigative files for these cases. This should include witness interview transcripts, notes, reports, and memoranda produced throughout the investigations.

It is my belief that as much unclassified material as possible from these investigations ought to be made public.

Please have your staff contact Elaina Houser of Congressman Pascrell's staff at (202) 225-5751 with any questions about this request. Thank you for your attention to this matter.

Sincerely,



Bill Pascrell, Jr.
Member of Congress