Congress of the United States
Washington, DC 20515

March 17, 2009

The Honorable Timothy F. Geithner
Secretary of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Geithner:

We are writing to express our outrage and disbelief that AIG is moving forward with executive "retention" bonuses worth over $165 million. This is a stunning revelation at a time when hard-working families in our districts are bearing the brunt of the faltering economy and seeing their tax dollars used to prop up this company.

As President Obama and his Administration have made clear in recent days, rebuilding public confidence in our financial system is a critical element in our nation's economic recovery. However, the news that AIG, a company that is completely undercapitalized and incapable of covering its obligations to pay out derivatives, is using taxpayer funds from the Wall Street bailout to pay bonuses completely undercuts the President's goal.

This company, more than any other single entity, is responsible for the crash of world credit markets resulting in the strangling of America's working families and businesses by the millions. AIG has shamelessly lined up for a $170 billion handout only to be used to cover up its own incompetence and irresponsible business practices. The company has refused until yesterday to account for its use of TARP funds even though the government now holds an unprecedented 80 percent ownership stake in the company. AIG's claim that it is legally bound to pay bonuses at a time when the company is under investigation by the US Department of Justice, the SEC and the United Kingdom Serious Crimes Ministry, is hardly persuasive. We strongly urge that the Justice Department immediately intervene to suspend these payments until AIG's own legal standing is resolved.

These kinds of abuses of the public trust will only threaten any future efforts by President Obama's Administration to intervene in the financial markets. For the sake of the President's ability to continue to take the steps that may be necessary to rebuild our economy, there must be a stronger response than simply decrying this development. It is long past time that AIG disclose in detail their payments with bailout funds. AIG's unwillingness to do so up until yesterday is completely out of touch with the most basic requirement of accountability to which any public expenditure, from local government all the way up to the Department of the Treasury, must adhere.

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One of the best attributes of the American Recovery and Reinvestment Act is the publicly available website, www.recovery.gov, which allows all Americans to see how their tax dollars are being spent. Public confidence in our economic system can only be restored with real transparency and accountability – and the Administration must take quick action now not only to put an end to the outrageous practice of awarding excessive bonuses at bailed-out firms, but also to require greater transparency as a non-negotiable condition of receiving taxpayer funded bailout money.

We believe deeply that your office and the Obama Administration are pursuing a constructive approach to mending Wall Street's failures and to repair the fundamentals of our economy. However, now is the time to break away from your predecessor's approach of coddling AIG and to firmly demand a full accounting of the use of taxpayer money at AIG and other recipients. We are please to hear that President Obama intends to block the AIG bonuses and hope he will use any vehicle necessary to protect the American taxpayers' interest. Our constituents deserve nothing less.

Sincerely,

Joe Courtney

Bruce Braley

Bill Pascrell Jr

Steve Israel

Dennis J. Kucinich

Rob Silver

Sanford D. Bishop Jr

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