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Congress of the United States

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August 12, 2010

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Eric Shinseki
Secretary - U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Secretary Shinseki:

I am writing to raise an issue of serious concern to me and the thousands of servicemembers I represent in Southern Arizona.

An upcoming investigative report by *Bloomberg Markets* and verified by NPR in a report on July 28, 2010 indicates that Prudential, through its Alliance Account program, is reaping windfall profits from the Servicemembers' Group Life Insurance benefits of deceased servicemembers by paying out interest amounts often far below the market interest rate.

While we all understand the difficulties faced by a family that has recently suffered the loss of a loved one and the desire to protect those individuals and their SGLI benefits, I am troubled by what seems to be an insurance company whom our servicemembers and the VA trust with this responsibility, taking advantage of the funds being held to draw disproportionate profits that are not passed on to the families of our fallen warriors.

According to a recently distributed VA fact sheet, Prudential was authorized in 1999 to utilize the Alliance Account program for holding and managing funds. What are not clear are the rights of the beneficiaries and the responsibilities of the insurance provider. These are questions that the VA must answer in order to provide servicemembers and beneficiaries with clarity on their benefit and Congress with the information necessary to conduct adequate oversight of the company and the Department as they administer this program.

Please provide my staff with the full analysis conducted by the Advisory Council on SGLI that precipitated this authority, the guidance issued by the Department that details the extent of this authority and the detailed rules and regulations issued by the VA governing the

arrangement for and administration of Alliance Accounts for SGLI beneficiaries. Please also provide documentation of complaints, problem or issues reported by beneficiaries with this program.

I look forward to your reply. Please feel free to contact me directly or my Senior Legislative Assistant for Military Affairs, Ryan McKeon, at 202.225.2542 should there be any questions or should you need any additional information about my request. Thank you for your time and continued service to our nation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gabrielle Giffords". The signature is stylized and cursive, with the first name being the most prominent.

Gabrielle Giffords

Member of Congress