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January 15, 2010

The Honorable Edolphus Towns
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Towns:

I applaud your decision to subpoena the Federal Reserve Bank of New York ("FRBNY") for documents related to the decision to pay American International Group's ("AIG") counterparties at par and the FRBNY's subsequent efforts to prevent public disclosure of the counterparty payments. The information we should receive from the FRBNY is necessary to inform this Committee's investigation. In light of the Committee's investigation and upcoming hearing on these issues, I am writing to request that you obtain information from Federal Reserve Board Chairman Ben Bernanke and former Treasury Secretary Hank Paulson regarding their roles in these decisions, as well as subpoena all relevant documents from the Federal Reserve Board and the Treasury Department.

While much of the public attention this investigation has received has focused on the role of Treasury Secretary Geithner, I have said from the beginning of this investigation that we must learn all of the facts about these decisions. Yesterday, the Chairman of the House Committee on Financial Services, Barney Frank, argued that the role of Secretary Geithner was overshadowed by "the two men that outranked him, Secretary Paulson and Chairman Bernanke."¹ As I said yesterday, this investigation "is not and has never been about Tim Geithner."² I believe we share the same goal of this investigation, which is to learn the truth about the apparent waste of billions of taxpayer dollars and the government's efforts to conceal this waste from the American people.

¹ See "Frank Responds to Ranking Member Bachus on AIG hearings [sic]," House Committee on Financial Services, January 14, 2010. Available at http://www.house.gov/apps/list/press/financialsvcs_dem/pressbachus_011410.shtml.

² See "Geithner Will Defend Secretive AIG Bailout Deals," *New York Times*, January 15, 2010. Available at http://www.nytimes.com/aponline/2010/01/15/business/AP-US-Geithner-AIG-Probe.html?_r=1.

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This Committee's investigation will not be complete until we gain the perspective of all of the most senior government officials responsible for the AIG bailout. I join your call for a "comprehensive review of the rise and fall of AIG, and the involvement of the counterparties."³ The perspective of Ben Bernanke and Hank Paulson and documents in the possession of the Federal Reserve Board and the Treasury Department are necessary to ensure the comprehensive review that you have advocated. Thus, I request that you assure Committee Members that Chairman Bernanke and former Secretary Paulson will answer basic questions about these issues via an affidavit, including:

1. Were you consulted in the decision to pay AIG's counterparties at par?
2. Were you aware of any negotiations by AIG or the FRBNY to pay the counterparties less than par?
3. Were you aware of any efforts to conceal the counterparty payments from the SEC and the public?

In addition, I request that you issue a subpoena for all relevant documents from the Federal Reserve Board and the Treasury Department related to the decision to pay AIG's counterparties at par and all subsequent efforts to prevent public disclosure of the counterparty payments.

I look forward to working with you as this bipartisan investigation moves forward.

Sincerely,



Darrell Issa
Ranking Member

³ See "Chairman Towns Announces Hearing to Examine New York Fed's Role in Advising Public Disclosure of A.I.G. Counterparty Payments," House Committee on Oversight and Government Reform, January 8, 2010. Available at http://oversight.house.gov/index.php?option=com_content&task=view&id=4731&Itemid=49.