
(October 22, 2008) LIPINSKI: Bailout beneficiaries Must be held Accountable

Treasury Department Must Do More to Protect Taxpayer Dollars

[Washington, D.C.] In a letter to Treasury Secretary Henry Paulson, Congressman Dan Lipinski (IL-3) strongly urged the development and implementation of a strategy to protect taxpayer dollars from waste and abuse that could potentially occur following the recent \$700 billion Wall Street bailout. Lipinski is the only member of Congress who represents part of Chicago to vote against the bailout package twice, in part over concerns the legislation failed to adequately protect taxpayer dollars. His call to action comes in response to reckless spending by AIG executives after the government stepped in to save the insurance giant from collapse.

"From the beginning, I have argued the Wall Street bailout package fundamentally lacks oversight and accountability to taxpayers," said Lipinski. "For these and a variety of other reasons, I consistently opposed the legislation and even warned on several occasions that taxpayer resources used to bailout and 'rescue' failing companies are at serious risk for abuse. Some may have believed the existing loopholes in the bailout package would not be exploited by executives, but recent actions by AIG executives very clearly indicate that taxpayer resources are highly vulnerable."

In September, the Treasury Department announced its intention to loan \$85 billion dollars to AIG to save the company from bankruptcy. Within a week of accessing this loan, a number of AIG executives attended a week-long luxury "retreat" that cost the company, and essentially the taxpayer, \$440,000. This "retreat" included spa treatments, fine dining, and thousand dollar per night hotel rooms. This month, AIG executives spent an additional \$86,000 in corporate funds during a "hunting trip" to England even as the company asked for another \$37.8 billion in taxpayer resources.

"It is unfair in the first place for taxpayers have to pay the price for Wall Street's mistakes, but for taxpayers to subsidize vacations and spa treatments is simply incomprehensible" stated Lipinski. "AIG's unbelievable actions show that we cannot afford to blindly trust executives with taxpayer dollars, and this is especially true with respect to the \$700 billion provided through the Wall Street bailout package. That is why Secretary Paulson must adopt a more proactive and vigilant strategy to protect taxpayer dollars in the future. I remain committed to protecting the interests of taxpayers and will continue to monitor the actions of the Treasury Department to ensure this waste and abuse cannot happen again."

[Click Here](#) for the text of Rep. Lipinski's letter to Secretary Paulson.