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BAUCUS COMMENTS ON SPECIAL IG UPDATE ON TARP OVERSIGHT EFFORTS

Finance Chairman urges bold action on protection of American taxpayer dollars

Washington, D.C. – Senate Finance Committee Chairman Max Baucus (D-Mont.) released a statement today on developments in Troubled Assets Relief Program (TARP) oversight efforts as reported in a letter to the Finance Chairman from Neil Barofsky, Special Inspector General (IG) of the TARP program. In his letter, Barofsky explained that his office had been given an oversight role in the recent TARP contracts with General Motors, Chrysler, General Motors Acceptance Corporation (GMAC) and Citigroup, and outlined requirements and conditions that he intends to pursue with regard to TARP transactions generally and funding provided to Citigroup specifically. The Special IG also summarized in his letter his efforts to hire personnel and to coordinate his team with other inspectors general with TARP oversight responsibilities.

“I am pleased that the Special IG is moving aggressively to set up his office, hire personnel, and extend oversight to the auto company rescue effort at TARP. The tough standards he’s setting for companies receiving taxpayer dollars are not just welcome, but absolutely necessary to ensure that every penny is spent solely to save America’s economy,” said Baucus. **“These are excellent first steps in what I expect to be a robust oversight effort by the Special Inspector General in the coming year. I created this position to protect the interests of American taxpayers, and I will call on Mr. Barofsky to stay intent on that goal.”**

Baucus fought to include the Special IG requirement in the Emergency Economic Stabilization Act of 2008 to protect taxpayer interests and guard against waste, fraud and abuse in the Treasury’s financial rescue program. The Inspector General is required to give a full report to Congress in February.

Barofsky outlined the following requirements that he has insisted on for recent TARP transactions including:

- establishing internal controls
- reporting to TARP on the implementation of those controls
- accounting for the use of TARP funds and certifying that information to the TARP.

The Special IG also outlined conditions he has insisted on for the funding provided to Citigroup by TARP, including:

- access by the Special IG to Citigroup personnel and records.
- establishing internal controls on corporate expenses, executive compensation, and dividend and stock repurchase conditions
- tracking of the funds invested by TARP

Full text of the letter may be viewed on the Finance Committee website here:
<http://finance.senate.gov/press/Bpress/2009press/prb010709.pdf>

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