

December 8, 2008

An Open Letter to the United States Congress: Demand Real Bailout Transparency!

Dear Member of Congress:

We, the undersigned advocates for open and accountable government, are writing to express our deep concern that the executive branch has provided no transparency into how taxpayer money is being spent and the decision-making process behind the financial bailout initiatives. We are also concerned that Congress has to date provided little oversight of these initiatives.

We applaud your decision to turn down the Treasury Department's request for a blank check, but nearly half of the \$700 billion fund for the Troubled Assets Relief Program, or TARP, has already been distributed with very little transparency and almost no oversight. Recently, the public learned that an additional \$800 billion is being spent by the Federal Reserve, which as an independent entity does not need congressional approval to lend money to banks or, in "unusual and exigent circumstances," to other financial institutions. To date, the cumulative commitment of taxpayer dollars to financial rescue initiatives is estimated to be \$8.5 trillion.

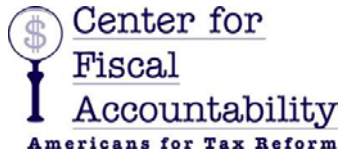
We urge you to use your oversight authority to make the financial bailout more accountable to the American public, and your legislative authority to make it more transparent. We ask that you work with Congressional leadership to ensure that there is effective legislative oversight over the entire program.

Any credible solution to the economic crisis must be grounded in transparency and to ensure full accountability must include best practice whistleblower protection for public and private employees connected to the bailout. As suggested in a recent opinion piece in *Legal Times*, "the best way to protect the interests of taxpayers is by ensuring that what is done is fully disclosed to the public."¹ Currently, however, the Department of the Treasury has been slow to notify the public of bailout money dispersals and has neglected to require recipients of bailout money to disclose how the money is used. We request that you direct that all reports mandated by the Emergency Economic Stabilization Act of 2008 be made publicly available in a usable format, whether the law currently specifies public disclosure or not.

Under public disclosure laws, citizens can only gain access to information actually collected by the government. Therefore, public accountability necessitates that you enact changes in law to require the Department of the Treasury, the Federal Reserve, and any other government entities involved in the bailout, to begin collecting information on certain aspects of how bailout aid is spent by recipients, including:



Bill of Rights Foundation



Center for Individual Freedom



CITIZENS
for
Limited Taxation



- all lobbying/business contracts for firms benefitting from bailout aid;
- all lobbying/business contract details for firms servicing bailout transactions; and
- any securities or other instruments used as collateral for loans through the Federal Reserve.

We urge that Treasury and the Federal Reserve, and any other government entities involved in the bailout, be required to make such information available to the public in a usable format.

Bipartisan language to improve transparency and strengthen oversight of the bailout already exists. We urge that, as Treasury has modified its strategy away from primarily purchasing troubled assets, the Special Inspector General for the Troubled Asset Relief Program (SIG-TARP) be directed to conduct oversight on areas of the Treasury's program not related to the purchase of troubled assets and that you grant the SIG-TARP the authority to set up an office and hire staff. Legislation by Senators McCaskill and Grassley would expand the SIG-TARP's authority to conduct oversight of the Treasury Department's actions and expedite its staffing process.

Additionally, the *Accountability for Economic Rescue Assistance Act*, introduced by Senators Feinstein and Snowe, would bring some welcome improvements to transparency and accountability in the bailout by banning the use of bailout money for lobbying and political contributions and requiring firms receiving bailout money provide publicly-available detailed reports outlining how federal funds have been used. The bill would also require the establishment of corporate governance standards to ensure that firms do not waste taxpayer money on lavish expenditures and penalties for firms that violate those standards.

We ask that you build on these existing proposals to strengthen oversight and require greater transparency to enact legislation in the taxpayer's interest, including best practice whistleblower protection for public and private employees connected with the bailout.

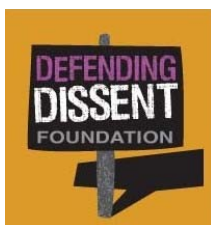
The public deserves vigorous, timely, and easily-accessible disclosure of all details surrounding any government decisions regarding financial market problems. We ask that you honor this by making sure that robust and effective oversight occurs and that all relevant records are collected and publicly available.

Sincerely*,

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OpenTheGovernment.org

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National Taxpayers Union

*Organizations listed for identification purposes only



essential information



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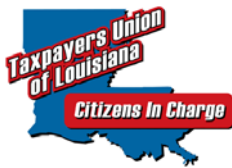
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