

**HOUSE COMMITTEE ON  
OVERSIGHT & GOVERNMENT REFORM**

**CLOSING STATEMENT OF  
CHAIRMAN EDOLPHUS TOWNS**

**AIG Bonuses:  
Audit Report of the Special Inspector General  
For TARP**

**October 14, 2009**

A year ago, with major Wall Street firms either bankrupt or teetering on the edge, House Speaker Nancy Pelosi famously said, “The party’s over.”

And for AIG, that was true. Only a massive taxpayer bailout has kept AIG alive.

Yet despite the fact that mismanagement and poor business decisions brought the company down, AIG executives still insist on extraordinary compensation.

At AIG, the party might be over, but the music hasn’t stopped.

One of the things we learned today is that apparently AIG executives still believe that millions of dollars in bonuses – or retention payments, or whatever you want to call them – should be paid to them without regard to the company’s performance.

In other words, not much has changed since last spring.

Now, the Special Master, Ken Feinberg, is reviewing AIG's latest proposal, for nearly \$200 million in bonuses. The Wall Street Journal today says he is having trouble convincing AIG to reduce those payments. He has his hands full. We will hear directly from him two weeks from now at our second hearing on executive compensation.

Finally, I want to thank Mr. Barofsky, who I think is doing a fine job in looking into these important issues. I think it is particularly important for Congress to have the facts in hand on these important issues before we act on financial regulatory reform and I think Mr. Barofsky is making a significant contribution in that regard.

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