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# Congress of the United States

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October 7, 2008

The Honorable Henry M. Paulson, Jr.  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

Dear Mr. Secretary:

Today the Oversight Committee held a hearing examining the \$85 billion government bailout of AIG. The hearing showed that even after the bailout, AIG has spent freely on executive compensation and perquisites. U.S. taxpayers are paying for AIG's profligate spending.

Today's hearing revealed that shortly after the bailout was signed, executives from AIG's major U.S. life insurance subsidiary, AIG American General, held a week-long conference at an exclusive resort in California. The company spent nearly half a million dollars in a single week at this resort, including thousands of dollars on catered banquets, golf outings, and visits to the resort's spa and salon.

The hearing also revealed that AIG continues to pay one million dollars a month to an official who helped bring about the company's downfall. This official, Joseph Cassano, is the former president of AIG's Financial Products division, the unit that sold the credit default swaps that caused billions in losses for AIG. Mr. Cassano resigned from his position in March 2008. Yet AIG has inexplicably decided to pay Mr. Cassano up to \$34 million in unvested bonuses. Even today, it is continuing to employ him as a "consultant" for one million dollars a month.

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Secretary Paulson, this situation is unfair to taxpayers. AIG received \$85 billion in taxpayer money, yet it continues to lavish its executives with undeserved payments and perquisites. We urge you to protect the taxpayers' money and end this profligate spending.

Sincerely,



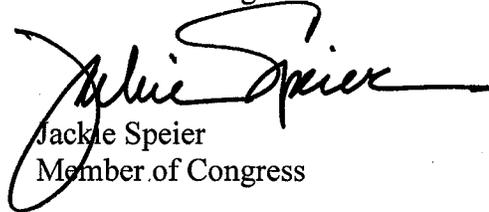
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