

Amendment Calls for Treasury Department to Provide Congress With Report on Bailout Funds Within 30 Days of Bill's Enactment

Washington, DC - The U.S. House of Representatives today nearly unanimously approved a measure authored by Congressman Maurice Hinchey (D-NY) that would require the Treasury Department to provide Congress with a detailed report on how the money it allocated to financial institutions as part of the previously approved financial bailout bill has been spent. Hinchey noted that more than \$350 billion has been handed out by the Treasury Department to various financial institutions, but because the legislation had no accountability or disclosure requirements, Congress and the American people do not know how the banks have used that money. The Hinchey amendment was approved by a vote of 427-1. "It is wholly unacceptable that the Bush administration's Treasury Department handed out more than \$350 billion in taxpayer money to major financial institutions without asking those institutions to account for how that money has been spent," Hinchey said. "The Treasury Department has recklessly doled out hundreds of billions of dollars to financial institutions without even asking for a receipt. It is irresponsible to hand out huge sums of money to financial institutions whose greed contributed to us getting into this mess in the first place without any real accountability. The American people demand to know how their money is being spent and this amendment, which the House approved, will do just that."

Hinchey's measure amended the Troubled Assets Relief Program (TARP) Reform and Accountability Act, which is a measure designed to strengthen accountability, close loopholes, and increase transparency within the financial bailout bill. The overall TARP Reform and Accountability Act, which includes the Hinchey amendment, now awaits Senate action. Hinchey voted against the bailout bill in October for a variety of reasons, including the fact that the bill lacked important safeguards and accountability provisions.

Under Hinchey's amendment, the Treasury Department would have 30 days from the enactment of the bill to file a report with the House and Senate authorizing committees and the House and Senate Appropriations Committees on how the more than \$350 billion already allocated to financial institutions has been spent and whether it has lessened the severity of the economic crisis. Hinchey is a member of the House Appropriations Committee and would be one of the recipients of the report from the Treasury Department.

"The absence of accountability in the bailout bill was one of many reasons I voted against that measure last fall. Sadly, that lack of accountability remains a serious problem, which is why I

offered this legislation today," Hinchey said. "It was irresponsible of Congress to approve the original bailout bill without strong accountability measures. It would be even more irresponsible of Congress to approve the second \$350 billion from the bailout package without learning from its mistakes and requiring the Treasury Department to account for how the first half of the money was spent. We must restore accountability to this process."

The TARP Reform and Accountability Act that passed the House also included another Hinchey-authored provision that was included in the bill earlier in the legislative process. That provision would require the U.S. Government Accountability Office (GAO) to publish a report within six months on the causes of the current financial crisis. That report and its recommendations would then be used by the Treasury Department to issue an overall strategy and timeline for implementing recommendations by GAO that would help achieve the goal of financial stability and the well-being of taxpayers.