

For Immediate Release: Tuesday, April 14, 2009

Contact: Oversight and Government Reform Press Office, (202) 225-5051

Towns Probes AIG's Use of Public Relations Firms

Washington, DC – U.S. Representative Edolphus “Ed” Towns (D-NY), the Chairman of the Committee on Oversight and Government Reform, is demanding information from American International Group (AIG) about the company’s retention of outside public relations firms to help determine whether federal bailout dollars were used to pay public relations firms to attack critics of AIG and the Federal bailout.

Chairman Towns today wrote current AIG Chairman and CEO Edward M. Liddy about this issue after hearing allegations that AIG may have contacted the news media and others to attack the credibility of former AIG Chairman and CEO Maurice Greenberg on the eve of Mr. Greenberg testifying before the Committee during its April 2, 2009 hearing on the collapse and Federal rescue of AIG.

The letter states, “I would be extremely disappointed to learn that any of the billions of taxpayer dollars invested to support AIG may have been diverted to finance a public relations campaign against critics of the AIG bailout. In my view, these allegations warrant further inquiry to ensure that Federal funds are not being misused.”

Since September 16, 2008, the United States Government has provided AIG \$182.5 billion in

financial bailout funds and Chairman Towns, "is determined to ensure that the taxpayer's investment in AIG is both protected and used as intended." Chairman Towns is asking that the information and records requested in the letter, which will aid in the Committee's ongoing investigation into the Federal bailout, be delivered no later than Tuesday, April 28, 2009.

Text of the letter:

April 14, 2009

Mr. Edward M. Liddy
Chairman and CEO
American International Group, Inc.
70 Pine Street
New York, NY 10270

Dear Mr. Liddy:

Since September 16, 2008, the United States government has provided \$182.5 billion in financial assistance to American International Group (AIG). As Chairman of this committee, I am determined to ensure that the taxpayer's investment in AIG is both protected and used as intended.

In that regard, on April 2, 2009, we held the first of a series of hearings on the collapse and Federal rescue of AIG. In testimony provided to the Committee at that hearing, former AIG Chairman and CEO Maurice Greenberg critiqued the AIG bailout and his successors' management of the company.

On the eve of the hearing, the Committee was surprised to hear allegations that AIG was contacting the news media and others to attack Mr. Greenberg's credibility, and circulating an anonymous paper entitled "The Greenberg Legacy". I would be extremely disappointed to learn that any of the billions of taxpayer dollars invested to support AIG may have been diverted to finance a public relations campaign against critics of the AIG bailout. In my view, these

allegations warrant further inquiry to ensure that federal funds are not being misused.

The House Committee on Oversight and Government Reform is the principal oversight committee in the U.S. House of Representatives. Under Rules X and XI of the House Rules, the Committee is investigating allegations that taxpayer funds invested by the federal government in AIG may have been used to pay public relations firms to attack critics of AIG and the federal bailout. To aid in this investigation, please provide the following information and records. For purposes of this request please exclude information pertaining to routine, product-related advertising and similar business-related promotional activities.

According to PR Week, AIG has retained Burson-Marsteller, a public relations firm, to represent it on federal bailout-related matters. If that is correct, please provide the following information for all periods on or after September 16, 2008:

Dates of Burson-Marsteller engagement by AIG, beginning with September 16, 2008.

b.Purpose of the engagement.

c.A list of all Burson-Marsteller personnel who have performed work in connection with AIG's engagement of Burson-Marsteller;

d.A list of all Burson-Marsteller subcontractors, if any, that may have performed work in connection with AIG's engagement of Burson-Marsteller, together with the purpose of each subcontractor's work;

e.Copies of all engagement letters, contracts, and other agreements between AIG and Burson-Marsteller, and all amendments, revisions, work orders, or other modifications thereto;

f.Copies of all memoranda, white papers, or other materials provided to AIG by Burson-Marsteller;

g. Copies of all bills AIG has received from Burson-Marsteller since September 16, 2008, including all narrative explanations of such bills; and

h. All payments made by AIG to Burson-Marsteller since September 16, 2008, listed by date and amount paid.

2. We understand that AIG has also retained Hill & Knowlton, a public relations firm, to represent it. If that is correct, please provide the following information for all periods on or after September 16, 2008:

Dates of Hill & Knowlton engagement by AIG, beginning with September 16, 2008.

b. Purpose of the engagement.

c. A list of all Hill & Knowlton personnel who have performed work in connection with AIG's engagement of Hill & Knowlton;

d. A list of all Hill & Knowlton subcontractors, if any, that may have performed work in connection with AIG's engagement of Hill & Knowlton, together with the purpose of each subcontractor's work;

e. Copies of all engagement letters, contracts, and other agreements between AIG and Hill & Knowlton, and all amendments, revisions, work orders, or other modifications thereto;

f. Copies of all memoranda, white papers, or other materials provided to AIG by Hill & Knowlton;

g. Copies of all bills AIG has received from Hill & Knowlton since September 16, 2008, including all narrative explanations of such bills; and

h. All payments made by AIG to Hill & Knowlton since September 16, 2008, listed by date and amount paid.

3. Please provide a list of all other firms or individuals AIG has engaged to address criticism of the AIG bailout and/or the performance of AIG management since September 16, 2008. For each such firm, please provide the following information:

Dates of engagement;

b. Purpose of engagement;

c. A list of all subcontractors, if any, that may have performed work in connection with AIG's engagement since September 16, 2008, together with the purpose of each subcontractor's work;

d. Copies of all engagement letters, contracts, and other agreements between AIG and such firms or individuals entered into on or after September 16, 2008, and all amendments, revisions, work orders, or other modifications thereto;

e. Copies of all memoranda, white papers, or other materials provided to AIG by such firms or individuals;

f. Copies of all bills AIG has received from such firms or individuals since September 16, 2008, including all narrative explanations of such bills

g. All payments made by AIG to such firms or individuals since September 16, 2008, listed by date and amount paid.

4. Was the paper, "The Greenberg Legacy", authored and circulated by, or at the behest of, AIG? If so, please identify all outside contractors who had a role in the creation, review, or distribution of that paper.

Please deliver the requested information and records to the Committee on Oversight and Government Reform, room 2157 Rayburn House Office Building, no later than 4:00 p.m. on Tuesday, April 28, 2009. To facilitate delivery and review, we prefer that the records be delivered in electronic format, if possible. In responding to this request, please be advised that the terms "records" and "relating to" are defined in the attachment to this letter.

Should you have any questions regarding this request, please contact me or John Arlington of the Committee staff at 202-225-5051.

Sincerely,

Edolphus Towns
Chairman

cc: Rep. Darrell Issa
Ranking Member

Documents and Links

- [Letter to AIG Chairman and CEO Edward M. Liddy](#)