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Towns, Issa Request AIG Independent Monitor Reports from the DoJ, SEC

Washington, DC – House Committee on Oversight and Government Reform Chairman Edolphus “Ed” Towns (D-NY) and Ranking Member Darrell Issa (R-CA) are requesting that the United States Department of Justice (DOJ) and the Securities and Exchange Commission (SEC) provide the Committee with confidential reports prepared by Mr. James Cole, a lawyer with Bryan Cave LLP, who was hired by American Insurance Group (AIG) to independently monitor the business practices of the insurance company and periodically deliver reports concerning his oversight of AIG to federal regulators.

“With taxpayers now having an eighty percent stake in AIG, we believe that review of these reports is critical for Congress to better understand how AIG became financially crippled and in assessing whether taxpayer dollars are being properly used for the stabilization of this once prosperous company,” write Towns and Issa.

In November 2004, as part of a deferred-prosecution agreement, AIG was required to install an independent monitor to oversee business practices at the company. Consequently, AIG hired Mr. Cole and his firm, Bryan Cave LLP, in January 2005. Mr. Cole’s responsibilities broadened in November of 2006 after a separate settlement required that Mr. Cole monitor and examine AIG’s financial reporting, as well as provide oversight of corporate governance.

“Under the provisions of these settlements, Mr. Cole evidently had routine access to the highest levels of the company and participated as an observer at AIG Board meetings. In effect, Mr. Cole had a seat at the table as the company decided to oust two CEO’s, developed its strategy in the midst of the housing bubble and its subsequent collapse, and made critical decisions concerning AIG Financial Products, allocating retention payments, generating options to produce liquidity, and ultimately requesting taxpayer capital injections from the Federal Reserve and Treasury now amounting to \$180 billion,” add Towns and Issa in the letters.

Due to the urgency of the Committee’s ongoing investigation into AIG, Chairman Towns and Mr. Issa ask DOJ and SEC to deliver the reports by 4:00 p.m., Wednesday, April 1, 2009.

On Thursday, April 2, 2009, the House Oversight and Government Reform Committee will hold the first in a series of hearings focusing on a comprehensive review of AIG’s rise and fall. The hearings are another part of the Committee’s ongoing investigation into AIG’s collapse. Set to testify before the Committee on Thursday is Mr. Maurice R. “Hank” Greenberg who was CEO of AIG for more than 35 years.

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Documents and Links

- [Letter to the Department of Justice \(DOJ\)](#)
- [Letter to the Securities and Exchange Commission \(SEC\)](#)