

For Immediate Release: January 8, 2010

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

**Chairman Towns Announces Hearing to Examine New York Fed's
Role in Advising Public Disclosure of A.I.G. Counterparty Payments**

WASHINGTON – Chairman Edolphus “Ed” Towns (D-NY) today announced that he will convene a hearing to examine financial disclosure advice the Federal Reserve Bank of New York’s (F.R.B.N.Y.) provided American International Group (A.I.G.) during the height of the financial crisis. In question are email exchanges that emerged this week between lawyers at F.R.B.N.Y. and A.I.G., which indicate that A.I.G. was advised to withhold key details from the public about the terms of the insurer’s federal bailout.

“More than one year after the first Federal bailout of A.I.G., the American people continue to question where their tax dollars were really sent when the government rescued this company. I continue to believe that a comprehensive review of the rise and fall of AIG, and the involvement of counterparties can provide a useful vehicle to understanding how inadequate regulations, cheap money, risky business deals, and in some instances, corruption led to the current economic crisis,” said Chairman Towns.

Chairman Towns intends to hold the hearing during the week of January 18, 2010. Witnesses invited to testify will include Treasury Secretary Timothy Geithner, who served as president of the Federal Reserve Bank of New York from 2003-2008, and Thomas Baxter, who has served as general counsel and executive vice president of the legal group at the Federal Reserve Bank of New York since 1995. Chairman Towns opened the committee's investigation into the federal rescue of A.I.G in early 2009.

###