

Washington, DC (Jan. 8, 2013) – Rep. Elijah E. Cummings, Ranking Member of the House Committee on Oversight and Government Reform, issued the following statement in response to press reports today that the American International Group (AIG) is considering joining a \$25 billion shareholder lawsuit against the government agencies that rescued AIG during the financial crisis:

“The idea that AIG might sue the government is an unbelievable insult to our nation’s taxpayers, who cleaned up the mess this firm created. I understand that AIG’s board has a fiduciary duty to consider this action, but the simple fact is that AIG did not have to accept these terms -- it could have entered bankruptcy. This is like suing the paramedic who just gave you CPR because he didn’t give you a pillow. The American taxpayers were a lifeline to this firm, and for certain shareholders to now criticize the terms of the rescue is utterly ridiculous.”

Cummings has been an outspoken advocate for oversight and transparency of AIG’s bailout and its compensation to employees. In 2010, he requested that the Government Accountability Office (GAO) investigate the decision to provide AIG with taxpayer funds and examine payments by AIG to counterparties of credit default swap contracts; who made the decision to pay the counterparties in full; and, what steps were taken to prevent a full public disclosure of the counterparty payments.

The GAO report echoed the findings of investigations conducted, at Cummings’s request, by the House Oversight and Government Reform Committee and the Special Inspector General for the Troubled Assets Relief Program (SIGTARP), which found clear shortfalls in the Federal Reserve Bank of New York’s negotiations with AIG counterparties regarding the payments they would receive for credit default swap contracts they held.

Cummings has also repeatedly demanded transparency regarding payments to AIG employees, who were given bonuses to unwind the trades that brought the firm to the brink of collapse.