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***SENATOR CARDIN SENDS LETTER TO OBAMA
URGING “THAT EVERY LEGAL AVENUE” BE
PURSUED TO RESCIND AIG BONUES***

He Also Supportive of Legislative To Recover Almost All AIG Bonuses

WASHINGTON – **U.S. Senator Benjamin L. Cardin** (D-MD), today expressed outrage over the \$165 million in bonus payments to American International Group (AIG) and has written to President Obama applauding his directive to Treasury Secretary Timothy Geithner to pursue “every single legal avenue” to rescind the bonuses.

The Senator also co-signed a letter to Edward Liddy, Chairman and CEO of AIG, saying he would support legislation that would allow the government to recoup these bonus payments, perhaps imposing a steep tax – as high as 91% -- that would in effect recover nearly all the bonuses that have been paid out since AIG turned to the American taxpayers for help.

“I find it unconscionable that the very individuals at the heart of the credit-default swap problems that have wreaked havoc not only at AIG, but in the economy generally, should be rewarded for their ‘efforts,’” said Senator Cardin, a member of the Senate Budget Committee. “Taxpayers have ponied up \$170 billion to prevent A.I.G. from collapsing and now own nearly 80 percent of the company. They will not support the Wall Street culture of privatized gains and socialized losses.”

New York Attorney General Andrew Cuomo today reported that the troubled insurance giant AIG paid bonuses of \$1 million or more to 73 employees, including 11 who no longer work for the company.

A text of the letter to President Obama is below:

Dear Mr. President:

I write to applaud your directive to Treasury Secretary Timothy Geithner to pursue “every single legal avenue” to rescind the \$165 million being paid in bonuses and “retention pay” – on top of \$55 million paid out last December – to American

International Group (A.I.G.) Financial Products executives and employees. My constituents and I find it unconscionable that the very individuals at the heart of the credit-default swap problems that have wreaked havoc not only at A.I.G., but in the economy generally, should be rewarded for their “efforts”. Taxpayers have ponied up \$170 billion to prevent A.I.G. from collapsing and now own nearly 80 percent of the company. They will not support the Wall Street ethos of privatized gains and socialized losses.

I appreciate the fact that Edward M. Liddy, the government-appointed chairman of A.I.G., is serving without pay. But the contention in his most recent letter to Treasury Secretary Geithner that A.I.G. needs to pay these bonuses to “attract and retain the best and the brightest talent to lead and staff the A.I.G. businesses” is risible. If these individuals truly were the best and the brightest, A.I.G. wouldn’t be in its current predicament. Moreover, the Financial Products unit is being wound down so just what is the need for retention pay?

I am heartened to hear that the Treasury Department may use a pending \$30 billion payment to A.I.G. as leverage to recoup the \$165 million the company is spending on the current tranche of bonuses and retention pay. And I’m hopeful that New York State Attorney General Andrew M. Cuomo will succeed in his attempt to uncover the names of the executives in A.I.G.’s Financial Products subsidiary who received the bonuses, their job descriptions, and details about their job performance. Sunlight is indeed a useful disinfectant.

Please know that I stand ready to assist you in any way possible with regard to this shameful situation.