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**Congress of the United States**  
**U.S. House of Representatives**  
**COMMITTEE ON WAYS AND MEANS**

WASHINGTON, DC 20515

SUBCOMMITTEE ON OVERSIGHT

March 31, 2009

The Honorable Dennis Moore  
Chairman  
Subcommittee on Oversight and Investigations  
Committee on Financial Services  
U.S. House of Representatives  
Washington, D.C. 20515-6050

Dear Chairman Moore,

On Thursday, March 19, 2009, the Subcommittee on Oversight of the Committee on Ways and Means conducted a hearing to review the Troubled Asset Relief Program (TARP). The focus of the hearing was on oversight of Federal borrowing and use of Federal monies. During this hearing, the Acting Comptroller of the United States brought up an issue regarding oversight of the Federal Reserve that our Subcommittee would like to raise with your Subcommittee.

The hearing primarily focused on the use of Federal monies. As of March 18, 2009, the Subcommittee found that thirteen of the following recipients owed more than \$220 million in agreed-upon, unpaid Federal taxes: the top 20 banks, American International Group, and the automobile companies. Two of these companies owed over \$100 million each. All of these companies signed contracts with the Treasury stating that all material Federal taxes have been paid and they were not aware of any tax deficiencies. (Since the hearing, fifty percent of this amount has been paid to the IRS.) We are hopeful that, as a result of this hearing, the Office of Financial Stability will undertake a thorough review of its tax compliance procedures and, if deemed necessary, request authorization from the companies to access their tax records for purposes of verifying statements made in the contracts.

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At the hearing, the Subcommittee also reviewed the current oversight structure that applies to Federal monies used for TARP. When the U.S. Government Accountability Office was asked about concerns with respect to effective oversight of TARP, the Acting Comptroller General indicated that one of GAO's biggest concerns is the limitation placed on its authority to oversee activities of the Federal Reserve. This is the issue that our Subcommittee would like to raise with your Subcommittee, especially given the creation of the Term Asset-Backed Securities Facility program. We would like to know whether, at this unprecedented time in history, it would be prudent to consider providing GAO with narrowly-crafted authority to oversee certain activities at the Federal Reserve in connection with TARP.

We believe that rigorous oversight by the Office of the Special Inspector General for TARP, GAO, the Congressional Oversight Panel, and the Congress is the only way to promote accountability and regain public trust in the use of Federal monies to stabilize the economy. We, therefore, believe that the Congress should consider whether to provide additional tools to the oversight bodies.

Thank you for your attention to this issue.


Respectfully yours,

  
John Lewis, Chairman

  
Ron Kind

  
Bill Pascrell

  
Artur Davis

  
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