

THE AIG BONUS DEBACLE: THE HEADACHES KEEP COMING

The SPEAKER pro tempore (Ms. EDWARDS of Maryland). The Chair recognizes the gentleman from Florida (Mr. STEARNS) for 5 minutes.

Mr. STEARNS. Madam Speaker, the Special Inspector General for the Troubled Asset Relief Program, Neil Barofsky, recently released an alarming audit which revealed Secretary of the Treasury Tim Geithner's complete lack of oversight and total mismanagement of American International Group's (AIG) distribution of millions in bonus payments following the company's \$180 billion taxpayer bailout.

Just think about this: U.S. taxpayers own 80 percent of AIG, and AIG is using taxpayer money to pay themselves huge bonuses. Let's examine Mr. Geithner's role as Secretary of the Treasury and his role with AIG.

Mr. Geithner, as we will recall, was President of the Federal Reserve of New York prior to becoming Secretary of the Treasury in January of this year. Interestingly enough, on September 29, 2008, during Mr. Geithner's time as president, AIG officials briefed a senior vice president at the New York Fed about the details of AIG's deferred compensation plan, bonuses, and retention payments for its Financial Products group. AIG even e-mailed the New York Fed official copies of its compensation plans. Mr. Geithner was president of the New York Fed at the time the bank knew about the bonuses, and yet he maintains that he was "not apprised of the specifics."

Please, Mr. Secretary, just admit you knew about the bonuses and you were just trying to protect your friends on Wall Street at taxpayers' expense.

Now let's fast forward to March of this year. Mr. Geithner is now Secretary of the Treasury, and the news breaks to the American people about AIG—the company that is "too big to fail," and in need of \$180 billion in taxpayer bailout—would be distributing \$165 million in retention payments to employees of its financial products subsidiary. Now, this unit, I will remind everybody, of course, is the same entity responsible for writing the credit default swap policies that contributed directly to the company's near collapse. Yet again, we have Secretary Geithner claiming that he only found out about the AIG bonuses on March 10, 2009, just 3 days before they were paid.

Please, Mr. Secretary, if a company is in bankruptcy, you don't give out bonuses.

Given that sources at the Federal Reserve have stated that "Treasury staff was informed that the March 15 bonus payment date was upcoming," surely Mr. Secretary, as head of the U.S. Department of the Treasury, you must have known about the payments. It is even harder to believe in light of the Special Inspector General's report which notes "Federal Reserve Board of New York officials e-mailed the Treas-

ury's internal counsel, legal counsel, the amounts and timing of the AIG financial products retention award" plan.

So even his legal counsel knew about it.

Madam Speaker, everybody at the Federal Reserve knew about the AIG bonus issue, and officials at the Treasury surely knew. Yet somehow, the head of our Treasury Department and former head of the New York Fed at the time of the AIG bailout, said he was completely in the dark.

Please, Mr. Secretary, just admit you knew all the about the bonuses.

Mr. Barofsky's audit concludes that "This, coupled with Treasury's subsequent limited communications with the Federal Reserve Board of New York with respect to executive compensation, has meant that the Secretary of the Treasury invested \$40 billion of taxpayers' funds in AIG, designed AIG's contractual executive compensation restrictions and helped manage the government's majority stake in AIG for several months, all without having any detailed information about the scope of AIG's very substantial, and very controversial, executive compensation obligations."

Please, Mr. Secretary.

It should also be noted that former Secretary Paulson was also complicit in the AIG bonus mismanagement. It was under Mr. Paulson's watch, after all, that the government acquired this huge stake in AIG in the first place. And it was Mr. Paulson's decision to bail out AIG, which happened to owe billions to Goldman Sachs, while subsequently letting Goldman Sachs' main competitor, Lehman Brothers, fail.

The American people were rightly outraged when they found out that AIG would be paying out millions in bonuses despite needing a \$180 million taxpayer bailout. But it doesn't stop there. The audit also revealed that even kitchen assistants and elevator operators got bonuses over \$7,000. So clearly, not all of the AIG bonuses were contractually obligated as the company's executives claim. The headaches just keep coming.

This is what happens when high-ranking government officials such as Mr. Paulson and Mr. Geithner have clear conflicts of interest and are trusted to manage billions in taxpayers' money. Mr. Paulson and Mr. Geithner's close ties to Wall Street are just too close for comfort for the American people and their tax dollars.

□ 1245

CONDEMNING ILLEGAL LOGGING

The SPEAKER pro tempore. The Chair recognizes the gentleman from Oregon (Mr. BLUMENAUER) for 5 minutes.

Mr. BLUMENAUER. Thank you, Madam Speaker.

The irreplaceable role of healthy forests as havens for biodiversity, carbon

sinks and renewable resources demands that we reverse a global legacy of environmental pillaging. Illegal logging and resource extraction is not just about environmental decimation, with watershed pollution, biodiversity loss and increased carbon emissions, it's about the human loss as well: the local communities left with a culture of violence and corruption devastated without resources for survival, and beyond, to everybody on the planet.

We all benefit from the medicines, carbon capture and species diversity these forests provide. For years, I've worked to eliminate the illegal logging trade. To make sure the United States can lead by example and stop our own use of illegally logged lumber, I authored the Legal Timber Protection Act whose provisions were signed into law last year. The U.S. Government is now empowered to determine where imported wood and plants actually come from to promote legal harvest. Yet the illegal trade continues.

Last Thursday, with Chairmen PAYNE and FALCONEVAEGA, I introduced a resolution to condemn the illegal logging and extraction of Madagascar's unique and invaluable natural resources. Madagascar hosts some of this planet's greatest diversity. Larger than the State of California, this island nation broke off from the African mainland about 160 million years ago, spawning a biological laboratory with over 150,000 plants and animals found nowhere else in the world: massive moths, towering trees, and a hundred different lemur species. The majority of Madagascar's people live on less than \$2 a day, and protection of these incredible and unique resources, only 10 percent of which remain, could be key to a sustainable and economically secure future. Yet political turmoil is putting the honest livelihoods of many, as well as one of our planet's greatest treasures, in extreme peril.

In March, the democratically elected President was ousted by a political rival with the backing of the military, a move which has been condemned by the United States, the African Union and others as a military coup d'etat. That ushered in a collapse of security for these precious treasures as political instability bred further corruption and mismanagement. Twenty years of partnership with the United States and nongovernmental organizations that has resulted in more effective local management and preservation is being undone in a matter of months. The de facto government uses the nation's endangered resources to boost its regime and has issued sweeping decrees allowing the harvest and export of wood from protected forests and World Heritage Sites.

Reports from Madagascar are dire, detailing rampant illegal logging, mining, and resource degradation as detailed in an excellent report in last Friday's Washington Post. Traffickers smuggle record numbers of one of the

world's rarest tortoises to Asian and European collectors; poachers kill and roast scores of lemurs for restaurants; and armed loggers brazenly plunder protected forests, looting dwindling hardwoods for furniture. These activities not only deny locals access to basic resources, they also degrade the country's thriving eco-tourism industry which brought in almost \$400 million last year.

The United States has condemned this current government and suspended all nonhumanitarian aid and terminated assistance through a Millennium Development Corporation compact. The World Wildlife Fund, Conservation International and the Wildlife Conservation Society have all denounced the subsequent wholesale exploitation of some of the world's most diverse forests and the decimation of the local people's resources and livelihood.

As the World Forestry Congress convenes this week, we have an excellent opportunity to raise awareness to stop rampant illegal logging and the harvesting of species. I am pleased that the United States Forest Service chief specifically referenced our resolution, H. Res. 839, during his address to the Forestry Congress as an example of United States commitment. The international community, all of us, must engage before it's too late for these protected species and do all we can to prevent the irreparable harm caused by illegal logging.

This resolution condemns the ongoing tragedy and calls for the restoration of the rule of law and shows that the Federal Government will fight to help the people of Madagascar protect these resources.

I hope my colleagues will join me in cosponsoring House Resolution 839 so that the House can do its part to stop this outrage.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until 2 p.m. today.

Accordingly (at 12 o'clock and 51 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. SALAZAR) at 2 p.m.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Together let us thank God for another day of life. Lord, we are truly gifted with another opportunity to praise and thank You for our many blessings. By our being truly present to others today by our work in public service on behalf of others, Lord, may

we lift up their spirits and provide some hope to those most in need.

Open our eyes, Lord, to see Your wonders that surround us. May a faith vision shape our priority of issues demanding our attention and may honest responsibility reveal just how much ability we have to respond to all Your people and the common good of the Nation.

Open our hearts, Lord, that we may trust the wisdom shared and the faith witnessed when we truly listen to one another. May each of us draw closer to one another and so strengthen the union of these United States and give You the glory both now and forever. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from New Jersey (Mr. ADLER) come forward and lead the House in the Pledge of Allegiance.

Mr. ADLER of New Jersey led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

GUN CONTROL

(Mr. POE of Texas asked and was given permission to address the House for 1 minute.)

Mr. POE of Texas. Mr. Speaker, the Supreme Court said last year that the Second Amendment means what it says: "The right of the people to keep and bear arms shall not be infringed." There is nothing vague about that personal right. Never mind, Chicago still has a gun ban law.

So the Supreme Court agreed to hear a case where those who believe in liberty are challenging the Chicago antigun law. Gun Grabbers pass a gun ban claiming it reduces crime, but crime actually goes up in banishment areas. So this is not about crime.

The antigun lobby steals individual freedom under the false pretext of providing security by government. In reality, these people want more government intrusion into our personal lives. Obliteration of the Second Amendment is one of the most intrusive methods they use. Gun control is really government control.

The Second Amendment was, among other things, originally designed to protect people against tyranny. Thomas Jefferson said, "Those who hammer their guns into plows will plow for those who do not."

The right to bear arms should apply even in Chicago, whether the paranoid gun control crowd likes it or not.

And that's just the way it is.

DEMOCRATS' HEALTH CARE PLAN WILL KILL JOBS

(Mr. BOEHNER asked and was given permission to address the House for 1 minute.)

Mr. BOEHNER. Mr. Speaker, having run a small business, I know what it's like to meet a payroll and offer health care benefits to my employees. I know what it's like to create jobs for families struggling to make ends meet. I also understand the consequences for small businesses when Washington imposes higher taxes, new government mandates, and more red tape.

Americans know that small businesses are the engine of job creation in their communities; government is not. And more than ever before, small businesses need solutions from Washington that help create jobs and provide quality, affordable health care for their employees.

Republicans have been offering those solutions all year long: solutions like allowing small business to join together to get health insurance at lower rates—the same way that large businesses and labor unions do today; promoting wellness and expanded health savings accounts to provide additional flexibility to small businesses; and ending junk lawsuits to lower health care costs for small businesses and all Americans.

Under the Democrats' costly government-run plan, however, health care costs are going to go up and countless small business jobs will be destroyed as a result. At the heart of the Democrats' plan is a massive tax increase which will fall most heavily on entrepreneurs that run small businesses. It also includes the harsh mandate that requires employers to provide health insurance or face a steep tax.

It will kill jobs, plain and simple.

HONORING THE SERVICE OF LANCE CORPORAL ALFONSO OCHOA, JR.

(Mr. COSTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COSTA. Mr. Speaker, I rise today to honor the service of Lance Corporal Alfonso Ochoa, Jr., who was recently killed by a roadside bomb in Afghanistan.

A native of Armona, California, Alfonso joined the Marine Corps only after graduating early from Hanford High School. His enthusiasm for his country and his commitments were apparent to all who knew him. It is my hope that Alfonso's strength, valor, and pride in our Nation will serve as an example for all of us.

My thoughts are with his father and mother, as well as his wife, whom he just married 6 months ago, and go out on behalf of all Americans.

In addition, Mr. Speaker, I would also like to mention that two other