

**OPENING STATEMENT OF CONGRESSMAN PAUL E. KANJORSKI**  
**COMMITTEE ON FINANCIAL SERVICES**  
**HEARING ON OVERSIGHT CONCERNS REGARDING TREASURY DEPARTMENT**  
**CONDUCT OF THE TROUBLED ASSETS RELIEF PROGRAM**  
**DECEMBER 10, 2008**

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Good morning. Mr. Chairman, oversight of the Troubled Assets Relief Program is inadequate and must quickly improve. While it takes time to establish an appropriate oversight program, we have run out of time. Of the \$350 billion allocated to Treasury to date, \$335 billion has been spent or obligated.

The Emergency Economic Stabilization Act became law on October 3 and called for strong oversight. However, the first members of the Congressional oversight panel were not named until six weeks later on November 14, 2008, and the Senate confirmed the special inspector general of TARP a mere two days ago. It was difficult to have quality oversight when the overseers did not exist. Surely Americans are baffled that corporations have to date been given taxpayer money with no strings attached and without transparency.

The dire need for improvement is evident to anyone who reviewed the Government Accountability Office study released last week. It is full of examples of failed supervision. According to GAO, the Treasury has implemented TARP by directly investing \$150 billion in 52 financial institutions. While the Treasury claims its purpose behind the Capital Purchase Program is to increase financing and to encourage mortgage modifications, it makes no such demands that the capital recipients actually engage in those activities.

The GAO also reports that institutions have no reporting requirements. And while the Treasury asks the companies to comply with executive compensation limits, no compliance mechanism is in place. Further, conflicts of interests have not been adequately addressed. According to GAO, the Treasury must improve its communication with both the Congress and the public. We deserve to know why and how the Treasury is implementing this program.

Two of the members of the Congressional oversight panel are here with us today. We know from press reports that Ms. Warren is dissatisfied with Treasury's lack of a clear sense of its fundamental purpose with regard to TARP. For what began as a Troubled Assets Relief Program has morphed into something entirely different. I look forward to learning more about the Congressional oversight panel's findings from today's testimony and its report.

My hope is that greater oversight, transparency, and accountability will be pursued with the utmost urgency. If necessary, the Congress should consider legislation to provide the Special Inspector General with broader authority.

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