















BEDFORD TAXPAYERS
ASSOCIATION

An Open Letter to the United States Congress: Demand Real Bailout Transparency!

Dear Member of Congress:

We, the undersigned advocates for open and accountable government, are writing to express our deep concern that the executive branch has provided no transparency into how taxpayer money is being spent and the decision-making process behind the financial bailout initiatives. We are also concerned that Congress has to date provided little oversight of these initiatives.

We applaud your decision to turn down the Treasury Department's request for a blank check, but nearly half of the \$700 billion fund for the Troubled Assets Relief Program, or TARP, has already been distributed with very little transparency and almost no oversight. Recently, the public learned that an additional \$800 billion is being spent by the Federal Reserve, which as an independent entity does not need congressional approval to lend money to banks or, in "unusual and exigent circumstances," to other financial institutions. To date, the cumulative commitment of taxpayer dollars to financial rescue initiatives is estimated to be \$8.5 trillion.

We urge you to use your oversight authority to make the financial bailout more accountable to the American public, and your legislative authority to make it more transparent. We ask that you work with Congressional leadership to ensure that there is effective legislative oversight over the entire program.

Any credible solution to the economic crisis must be grounded in transparency and to ensure full accountability must include best practice whistleblower protection for public and private employees connected to the bailout. As suggested in a recent opinion piece in Legal Times, "the best way to protect the interests of taxpayers is by ensuring that what is done is fully disclosed to the public." Currently, however, the Department of the Treasury has been slow to notify the public of bailout money dispersals and has neglected to require recipients of bailout money to disclose how the money is used. We request that you direct that all reports mandated by the Emergency Economic Stabilization Act of 2008 be made publicly available in a usable format, whether the law currently specifies public disclosure or not.

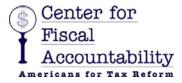
Under public disclosure laws, citizens can only gain access to information actually collected by the government. Therefore, public accountability necessitates that you enact changes in law to require the Department of the Treasury, the Federal Reserve, and any other government entities involved in the bailout, to begin collecting information on certain aspects of how bailout aid is spent by recipients, including:























- all lobbying/business contracts for firms benefitting from bailout aid;
- all lobbying/business contract details for firms servicing bailout transactions; and
- any securities or other instruments used as collateral for loans through the Federal Reserve.

We urge that Treasury and the Federal Reserve, and any other government entities involved in the bailout, be required to make such information available to the public in a usable format.

Bipartisan language to improve transparency and strengthen oversight of the bailout already exists. We urge that, as Treasury has modified its strategy away from primarily purchasing troubled assets, the Special Inspector General for the Troubled Asset Relief Program (SIG-TARP) be directed to conduct oversight on areas of the Treasury's program not related to the purchase of troubled assets and that you grant the SIG-TARP the authority to set up an office and hire staff. Legislation by Senators McCaskill and Grassley would expand the SIG-TARP's authority to conduct oversight of the Treasury Department's actions and expedite its staffing process.

Additionally, the *Accountability for Economic Rescue Assistance Act*, introduced by Senators Feinstein and Snowe, would bring some welcome improvements to transparency and accountability in the bailout by banning the use of bailout money for lobbying and political contributions and requiring firms receiving bailout money provide publicly-available detailed reports outlining how federal funds have been used. The bill would also require the establishment of corporate governance standards to ensure that firms do not waste taxpayer money on lavish expenditures and penalties for firms that violate those standards.

We ask that you build on these existing proposals to strengthen oversight and require greater transparency to enact legislation in the taxpayer's interest, including best practice whistleblower protection for public and private employees connected with the bailout.

The public deserves vigorous, timely, and easily-accessible disclosure of all details surrounding any government decisions regarding financial market problems. We ask that you honor this by making sure that robust and effective oversight occurs and that all relevant records are collected and publicly available.

Sincerely*,

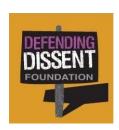
Patrice McDermott OpenTheGovernment.org

Duane Parde National Taxpayers Union

^{*}Organizations listed for identification purposes only







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Mary Alice Baish American Association of Law Libraries

David A Keene American Conservative Union

Lynne Bradley American Library Association

Tom DeWeese American Policy Center

Tim Phillips Americans for Prosperity

Grover Norquist Americans for Tax Reform

Timothy Wise Arlington County (VA) Taxpayers Association

Prudence S. Adler Association of Research Libraries

Roy H. Stewart Bedford Taxpayers Association Granite State Taxpayers

Chip Pitts
Bill of Rights Defense Committee

Terry Francke Californians Aware

Terrence Scanlon Capital Research Center

J. Bradley Jansen Center for Financial Privacy and Human Rights

Sandra Fabry Center for Fiscal Accountability

Timothy H. Lee Center for Individual Freedom

Mark R. Spengler Center for Law and Social Strategy

Barbara Anderson Citizens for Limited Taxation

Anne Weismann Citizens for Responsibility and Ethics in Washington

Doug Bandow Citizen Outreach Project













The National Security Archive The George Washington University





Bob Edgar Common Cause

Matthew J. Brouillette Commonwealth Foundation for Public Policy Alternatives

Thomas Schatz Council for Citizens Against Government Waste

Sue Udry Defending Dissent Foundation

John Richard Essential Information

Amber Gunn Evergreen Freedom Foundation

John Hallman Florida Taxpayers Union

Conrad Martin Fund for Constitutional Government

Mark Cohen Government Accountability Project

Malia Zimmerman Hawaii Reporter

Gary Wolfram Hillsdale College

Jon Coupal Howard Jarvis Taxpayers Association (CA)

John Tillman Illinois Policy Institute

Jim Murtagh, MD International Association of Whistleblowers

Karl Peterjohn Kansas Taxpayers Network

Andrew Davis Libertarian National Committee

David A. Brady Libertarian Party of Illinois

T. Lee Horne III Libertarian Party of Louisiana

Patrick Dixon Libertarian Party of Texas

Michael D. Ostrolenk Liberty Coalition













Mark R. Caramanica Marion Brechner Citizen Access Project

Richard Falknor Maryland Center-Right Coalition

Ellen Smith Mine Safety and Health News

Howie Morgan Mississippi Forward

James Landrith The Multiracial Activist

Stephen M. Kohn National Whistleblower Center

Charles N. Davis. Ph.D. National Freedom of Information Coalition

Tom Blanton National Security Archive

Doug Kagan Nebraska Taxpayers for Freedom

Jerry Cantrell New Jersey Taxpayers Association

Brandon Dutcher Oklahoma Council of Public Affairs

Sean Moulton OMB Watch

Larry Siems PEN American Center

Susan Maret Progressive Librarians Guild

Danielle Brian Project on Government Oversight

David Arkush Public Citizen

Don Racheter Public Interest Institute

John Judge Real Democracy Project























Lucy A. Dalglish Reporters Committee for Freedom of the Press

William Westmiller Republican Liberty Caucus

Paul Gessing Rio Grande Foundation

John W. Whitehead The Rutherford Institute

John Tsarpalas Sam Adams Alliance

Samuel M. Slom Small Business Hawaii

Dave Aeikens Society of Professional Journalists

Douglas Newcomb, CAE Special Libraries Association

Frances Brigham Johnson Strategic Planning Initiatives

Ellen Miller Sunlight Foundation

John K. Roberts Taxpayers Union of Louisiana

Ben Cunningham Tennessee Tax Revolt

Dane von Breichenruchardt U.S. Bill of Rights Foundation

M. Royce Van Tassell Utah Taxpayers Association

Toby Nixon Washington Coalition for Open Government

Bill Will Washington Newspaper Publishers Association

Rose Bogaert Wayne County (MI) Taxpayers Association

Rafael DeGennaro WhyCongressCantRead.com