

3/18/2009 Moran Expresses Opposition to AIG Bonuses

Shame on AIG

March 18, 2009

Mr. Speaker, I rise this evening in the House in strong opposition to AIG's recent payments to employees in the form of bonuses. I can't believe that this conversation is even necessary. The handling of these bonus payments by AIG's management is an insult to the people who are ultimately paying for them, the American taxpayer.

I believe that good business behavior and superior professional performance should be rewarded. That's the way the market system works and should work. People that are good at their jobs should be recognized. Compensation bonuses awarded to certain AIG employees do not fall into this category of recognition. The American people own 80 percent of this company, yet 73 individuals employed by AIG received a bonus of at least \$1 million each.

The CEO of AIG today here on Capitol Hill called the bonuses ``distasteful." I can tell you that Kansans have a much more colorful description when they are telling the story about these bonuses. Their outrage stems from a series of corporate actions, actions that have steadily eroded our Nation's confidence in the competency of Wall Street and the business community, and the Federal Government's response to these business conditions. And the mortgaging of our children's future is especially damning when news of the bonuses arrives like it has this week.

When the Troubled Asset Relief Program was first laid out, Members of Congress were assured that this would be a benefit to the public and would make a difference not only in the short term, but especially in the long term.

For many reasons, I did not support the initial bailout, including my belief that there were few taxpayer safeguards within this legislation. Recent actions on the part of AIG only confirmed what I feared. Troubled businesses--and I think this is what is happening here--troubled businesses were not forced to change their failed practices. Instead, they were given a lifeline, and they are beginning to pull us under with them.

Kansans ask only to have an opportunity to earn a paycheck and make a living. Most Americans realize that bonuses are awarded if and when their employer is profitable and successful. AIG is neither. It is not fair, it is not right, and it ought not happen.

I ask my colleagues in the House and the Senate to pursue all methods of recourse against companies that flaunt the will of the American taxpayer. But it is not just AIG we should blame. Congress passed this legislation without timely consideration. We rushed to judgment. In many instance, we violated principles that we know work, principles of an economy. And our actions as a Congress that passed this legislation allowed AIG to pay these bonuses. Shame on AIG and shame on Congress.

By demanding accountability and some commonsense from those businesses that are being assisted, Congress may finally begin to get it right, and the taxpayer may finally be protected.