



HOUSE OF REPRESENTATIVES  
WASHINGTON, D. C. 20515

ELIJAH E. CUMMINGS  
SEVENTH DISTRICT  
MARYLAND

November 11, 2008

Mr. Edward M. Liddy  
Chairman and Chief Executive Officer  
American International Group, Inc.  
70 Pine Street  
New York, NY 10270

Dear Mr. Liddy:

Thank you for your letter of October 30 in which you write that regarding "publicized events attended by AIG employees," you want me to know that "all non-business related expenses associated with these events are being repaid and, where necessary, we are taking appropriate disciplinary actions." Additionally you write that "Not one cent of taxpayer dollars will be used to pay for these events." Your letter further claims that you are canceling or will cancel more than 160 events scheduled in the coming months.

The American International Group (AIG) is today a going concern only because of the direct intervention of the federal government and the expenditure of what is now likely to exceed \$150 billion in taxpayer money as well as the restructuring of the conditions according to which federal loans were previously extended to the firm (an option which sadly is not yet widely available to American homeowners facing foreclosure). As you have continued to experience financial difficulties – and you were recently quoted in the *Washington Post* as stating that AIG was still "hemorrhaging" cash – you have continued to seek additional taxpayer assistance.

Having received this assistance, which has been nothing less than a lifeline for AIG, you have decided to continue to hold corporate parties as if nothing has fundamentally changed with your business. Less than a week after you wrote your letter to me, AIG held a corporate retreat at the Pointe Hilton Squaw Peak Hotel in Phoenix, Arizona. Media reports indicate that many senior AIG executives attending this early November event, which you have claimed provided "continuing education," were observed to be working out at a spa, eating high-priced dinners, and holding cocktail parties. That a firm already reliant on taxpayers' funding would organize such an event is outrageous. Even more shocking, however, is that this event was apparently also concomitant with AIG's request for billions of dollars in *additional* bailout funding from the U.S. taxpayers.

You claim in your October 30 letter that AIG is "working to create a transparent, accountable culture to regain the trust of the American people" and "putting measures in place to provide greater oversight of . . . corporate practices." If that is truly the case, then the United States Congress – and the American taxpayers who have funded the rescue of your company – have the right to receive from you clear answers to the following questions:

1. Did AIG organize and/or allow any employees to participate in a corporate retreat in Phoenix, Arizona, in early November 2008? If so, what was the purpose of the event and how many AIG employees attended? Please also provide the schedule of continuing education classes provided to executives and indicate how many executives attended each session.
2. Were any product sponsors underwriting the costs of the event? If so, please identify these sponsors and the funding they provided.
3. What expenses did AIG incur in conjunction with the Phoenix event? Please itemize each expense.
4. Also, please identify each of the 160 planned events cancelled on or after October 30.

Additionally, since as already noted you claim in your October 30 letter that for "publicized events attended by AIG employees" (events which you did not name in your letter), "all non-business related expenses associated with these events are being repaid," please identify all events to which you are referring as well as (1) what business expenses were incurred in association with the events (please itemize these expenses) and (2) what "non-business" expenses were incurred in association with the events and which entity or individual(s) is reimbursing each expense. Please also identify the senior-level AIG executives against whom disciplinary action has been taken regarding the unnamed "publicized events" and identify specifically what disciplinary action has been taken.

AIG is a firm that likely faced imminent liquidation prior to the intervention of the federal government in its operations. Therefore, any expenditure of funds (whether directly provided by the taxpayer or not) by AIG for events attended by executives in recent weeks has been made possible only by the government's decision to bail out AIG. The American taxpayers who have prevented your firm from literally disappearing will judge your commitment to re-establishing their trust by your willingness to act in accordance with their expectations for the effective and efficient use of *their* money. If AIG truly wants to become as it claims "an ethical steward of the public's investment," AIG must change its business practices to reflect its current position and it must take the actions necessary to show it is truly willing to be transparent to the public that has saved it. AIG can take a first step toward meeting these expectations by providing the information I have requested and by accepting your resignation from the positions of Chairman and Chief Executive Officer.

Sincerely,



Elijah E. Cummings  
Member of Congress