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During last-minute negotiations leading up to the passage of the \$700 billion Emergency Economic Stabilization Act in October, Treasury Secretary Henry Paulson insisted on a one-sentence change that effectively mooted any caps on executive compensation to banks receiving money through the Troubled Asset Relief Program, according to the [Washington Post](#)

Additionally, the

[Associated Press](#)

reported Sunday that TARP recipients doled out nearly \$1.6 billion in salaries and bonuses to top executives last year.

In response, Welch has rallied 22 members of Congress to insist that banks receiving federal bailout funds curtail executive spending.

"It is unacceptable for banking executives to pad their pockets with massive bonuses and benefits after mismanaging their companies and coming to the American taxpayer for aid," Welch said. "The American people acted in good faith during the financial industry's time of need, and now it's time for banking executives to take responsibility for their actions and curtail their outrageous compensation practices."

[A letter Welch sent](#) today to CEOs of eight top banks receiving bailout funds is [attached](#) and copied below. Twenty-two members of Congress signed on to the letter.

December 16, 2008  
Chairman and Chief Executive Officer

Mr. John J. Mack  
Morgan Stanley

1585 Broadway

New York, NY 10036-8200

Dear Mr. Mack,

As Members of Congress acutely concerned with taxpayer protection, we were shocked to learn that companies currently participating in the Troubled Asset Relief Program (TARP) are able to skirt executive compensation limits included in the Emergency Economic Stabilization Act (EESA) using a loophole inserted into the legislation by the Bush administration late in bill negotiations, as detailed in the [12/15/2008 Washington Post](#) .

These taxpayer protections are essential to ensuring balance in and the success of the TARP, and we urge you to voluntarily abide by the executive compensation limits contained in the EESA, starting by renouncing bonuses for all your top executives.

The people we represent vehemently object to the use of their taxpayer dollars, directly or indirectly, to pay bonuses to executives at institutions receiving federal bailout money.

We note that Goldman Sachs, the recipient of \$10 billion in bailout funds, recently renounced bonuses for its top executives.

We urge you to do the same, voluntarily and immediately.

Reviving our economy will take hard work, cooperation, and shared sacrifice. It would be a very good signal to the American taxpayers that you agreed, which you can demonstrate by following the Goldman Sachs example.

Sincerely,

Peter Welch  
Member of Congress

Other members who have signed on include:

John Olver  
David Wu  
Peter Visclosky  
Carol Shea-Porter  
Peter DeFazio  
James McGovern  
Bruce Braley  
Lois Capps  
Steve Cohen  
Maurice Hinchey  
Gabrielle Giffords  
Donald Payne  
Ellen Tauscher  
Janice Schakowsky  
Michael Michaud  
Donna Edwards  
Phil Hare  
Linda Sanchez  
Rosa DeLauro  
Patrick Kennedy  
Rush Holt  
Timothy Bishop

Recipients of the letter include:

Vikram Pandit - Citigroup  
James Dimon - JP Morgan Chase  
John Stumpf - Wells Fargo  
Kenneth Lewis - Bank of America  
John Mack - Morgan Stanley  
John Thain - Merrill Lynch  
Ronald Logue - State Street  
Robert Kelly - Bank of New York Mellon