

[Michael J. De La Merced](#)

As the board of the American International Group weighs whether to join a shareholder lawsuit against the United States government, several lawmakers have a simple message for the bailed-out insurer.

Don't do it. Don't even think about it.

With A.I.G. having fully repaid its \$182 billion bailout only weeks ago, the prospect of the company trying to claw back some of the \$22 billion in profit that its rescue generated for shareholders doesn't sit right with several members of Congress.

At issue is the possibility that insurer may join a lawsuit filed by its former chief executive, Maurice R. Greenberg, claiming that the 2008 bailout shortchanged investors and violated their Fifth Amendment rights. The board is scheduled to meet on Wednesday to hear presentations from Mr. Greenberg and representatives from the Treasury Department and the Federal Reserve Bank of New York, the architects of the bailout.

In a letter to A.I.G.'s chairman, Robert S. Miller, three Democratic lawmakers sternly urged the company to avoid "rubbing salt in the wounds" of taxpayers still furious about needing to bail out a public company.

"A.I.G. became the poster company for Wall Street greed, fiscal mismanagement, and executive bonuses – the taxpayer and economy be damned," Representatives Peter Welch of Vermont, Michael Capuano of Massachusetts and Luis V. Gutierrez of Illinois wrote in the letter. "Now, A.I.G. apparently seeks to become the poster company for corporate ingratitude and chutzpah."

Senator Elizabeth Warren, the new Democratic senator from Massachusetts, added in her own statement:

"A.I.G.'s reckless bets nearly crashed our entire economy. Taxpayers across this country saved A.I.G. from ruin, and it would be outrageous for this company to turn around and sue the federal government because they think the deal wasn't generous enough. Even today, the government provides an ongoing, stealth bailout, propping up A.I.G. with special tax breaks — tax breaks that Congress should stop. A.I.G. should thank American taxpayers for their help, not bite the hand that fed them for helping them out in a crisis."

Representative Maxine Waters of California, the ranking member of the House Financial Services Committee, also weighed in, saying: "I would urge the board to drop its consideration of the lawsuit, thank the American public for the \$182 billion rescue package that prevented the company's collapse and support the reforms in the Dodd–Frank Wall Street Reform and Consumer Protection Act that ensure that systemically important financial institutions can no longer hold our economy hostage."

And Representative Jan Schakowsky, Democrat of Illinois, sent a letter to A.I.G. chief executive Robert H. Benmosche urging him not to join in. She and other co-signers wrote: "The federal government, and more importantly, American taxpayers, are solely responsible for your company's existence today. We believe that the terms of the loan were not onerous and were designed to protect the public interest."

For his part, Mr. Benmosche said in a statement that Wednesday's meeting is about listening to all of the involved parties, with a decision to come in the next several weeks.

"A.I.G. has paid back its debt to America with a profit, and we mean it when we say thank you to the American people," he said. "At the same time, the board of directors has fiduciary and legal obligations to the company and its shareholders to consider the demand served on us and respond in a fair, appropriate, and timely manner."

The full letter from Representatives Welch, Capuano and Gutierrez is below:

Mr. Robert S. Miller

Board Chairman

American International Group, Inc.

180 Maiden Lane

New York, NY 10038

Dear Mr. Miller:

According to The New York Times, AIG is actively considering suing the U.S. government for monetary damages after American taxpayers rescued your company from its reckless conduct with a \$182 billion bailout.

Don't do it.

Don't even think about it.

AIG became the poster company for Wall Street greed, fiscal mismanagement, and executive bonuses – the taxpayer and economy be damned.

Now, AIG apparently seeks to become the poster company for corporate ingratitude and chutzpah.

Taxpayers are still furious that they rescued a company whose own conduct brought it down. Don't rub salt in the wounds with yet another reckless decision that is on par with the reckless decisions that led to the bailout in the first place.

Sincerely,

PETER WELCH

Member of Congress

MICHAEL CAPUANO

Member of Congress

LUIS V. GUTIERREZ

Member of Congress

Here's the letter from Rep. Schakowsky:

Robert H. Benmosche

President and CEO

American International Group, Inc.

180 Maiden Lane

New York, NY 10038

Dear Mr. Benmosche:

We write in response to reports that American International Group, Inc. (A.I.G.) is considering joining a lawsuit filed by Maurice Greenberg against the federal government over the terms of the record \$182 billion bailout of your company. We urge you not to participate in that suit.

Your company is now running commercials celebrating A.I.G.'s repayment of taxpayer-funded loans that helped the firm avoid bankruptcy. Clearly, you recognize that the \$182 billion loan saved your company, and we are pleased that the loan was repaid. However, for our constituents, who continue to suffer the consequences of the subprime mortgage crisis, the impacts of your company's actions are still being felt.

As you are well-aware, A.I.G. played a major role in the collapse of the national mortgage market and the plummeting of home sales from which our country is only beginning to recover. The subprime mortgage market grew to almost \$1.5 trillion by the time A.I.G. was bailed out, and over the past four years, nearly four million families lost their homes. A.I.G.'s sale of more than \$400 billion in credit default swaps greatly exacerbated the mortgage crisis and facilitated the continued sale of highly-rated, poorly-vetted, and economy-crippling subprime loans and mortgage-backed securities.

The federal government, and more importantly, American taxpayers, are solely responsible for your company's existence today. We believe that the terms of the loan were not onerous and were designed to protect the public interest. We urge you to not to join the suit, and instead to continue to work to earn the trust and confidence of the American people.

Sincerely,

Jan Schakowsky