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## Level of bank lobbying disclosed

19 institutions getting bailout aid spent \$32.4M in 9 months

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By Matt Kelley  
USA TODAY

WASHINGTON — Nineteen banks taking taxpayer money from the Treasury Department have spent \$32.4 million lobbying the federal government during the first nine months of this year, their lobbying disclosure reports show.

Combined, the Treasury is investing in the banks \$159 billion from the \$700 billion financial rescue package approved by Congress last month. None of the banks has indicated it plans to stop lobbying.

Lobbying by the financial industry before and during the financial crisis has come under criticism from consumer groups, members of Congress and President-elect Barack Obama.

"It's ridiculous that the perpetrators of this mess should be the people dictating to Congress how to get out of it," says Kathleen Day of the non-profit Center for Responsible Lending.

Sen. Dianne Feinstein, D-Calif., began drafting a bill to ban recipients of government help from lobbying with taxpayer funds after learning that insurance giant American International Group continued to lobby after it received \$123 billion in government-backed loans. AIG suspended its lobbying Oct. 20, company spokesman Joe Norton says.

In a statement, Feinstein said "it would be unconscionable for these companies to misuse taxpayer dollars" on lobbying. Although federal law prohibits federal loan, grant or contract money from being used for lobbying, Feinstein wants to ensure that ban also applies to the investments, loan guarantees and other emergency help offered to financial firms, Feinstein spokesman Gil Duran said.

Financial industry lobbyist Scott Talbott says such restrictions are unnecessary.


"Washington is watching. The world is watching. Companies will be able to show how they're using the money," said Talbott, a senior vice president of the Financial Services Roundtable, a trade group that represents 21 large banks getting government investments. "Lobbyist money will come out of other income."

Feinstein and others criticized AIG last month for sending executives on a \$440,000 retreat after getting government help. AIG has spent \$9.5 million on lobbying this year, records show.

Norton said AIG stopped working to influence legislation and regulations, but its lobbyists "continue to monitor policy and have general discussions" with lawmakers and regulators. He said AIG has no plans to fire its lobbyists or lobbying firms.

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