

Treasury's knowledge of AIG bonuses probed

by UPI

WASHINGTON -- The U.S. Treasury investigator is examining what role the department played in AIG's award of millions in bonuses while getting federal bailouts, officials say.

The investigation by Treasury Inspector General Eric Thorson is one of several official inquiries into the AIG bonus uproar, ABC News reported Thursday.

Thorson will examine which Treasury officials knew of the American International Group's "retention payment" plans for its Financial Products division, when they knew it, and their actions, sources told ABC.

His investigation was requested by Sen. Charles Grassley, R-Iowa, who said in his request submitted Wednesday, "As it appears that the (Treasury) Department's Office of General Counsel and others, were largely involved in these matters, I believe it is appropriate that you obtain the information I am seeking."

In addition, Neil Barofsky, special inspector general for the Treasury Department's Troubled Asset Relief Program, said told a House committee hearing he was undertaking his own audit to examine who in federal government "knew what, how, when and why" about AIG's \$165 million bonus program.

Barofsky also will inspect AIG's employment contracts, and study how government officials monitored and enforced executive compensation at companies receiving federal bailout funds.

New York Attorney General Andrew Cuomo also is investigating AIG's bonus payouts.

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