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Congress of the United States  
House of Representatives  
Washington, DC 20515-0549

November 12, 2008

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REPUBLICAN POLICY COMMITTEE

The Honorable Henry M. Paulson, Jr.  
Secretary of Treasury  
1500 Pennsylvania Avenue  
Washington, D.C. 20220

Dear Mr. Secretary,

I write today to request the Treasury place additional restrictions on the use of taxpayer funded bailout dollars to prevent funds intended for value creation in the United States to be used for foreign acquisitions.

Recent reports by *The Washington Post* article October 22 titled "Banks Weighing Other Uses for Bailout Money" and *The Wall Street Journal* article October 21 titled "U.S. Rescue Fund Is Likely to Foster Bank Takeovers," have exposed wild use of taxpayer funds designed to be used to aid financial institutions on the brink of failure being used for executive compensation, dividend payments to stock holders and for acquisitions. Clearly greater oversight is needed.

*The Washington Post* reports ten financial institutions are considering using taxpayer bailout dollars to purchase other entities. On July 31st Reuters reported that Citigroup, which will receive \$25 billion in funds, is part of a banking consortium lending to Spanish energy company, Gas Natural, for the purchase of another Spanish utility, Union Fenosa. *The Associated Press* October 15<sup>th</sup> reported that JP Morgan, which will also be receiving \$25 billion in taxpayer support, is loaning money to Inbev, the Belgium brewery purchasing American trademark Anheuser-Busch.

During House consideration of the Economic Stabilization Act of 2008, I offered an amendment "Protect American Financial Institutions First" which would have required U.S. institutions be aided first before foreign based institutions with operations in the U.S. Because this amendment was not adopted, without further restriction or greater oversight by the Treasury, funding could be used by foreign entities to acquire other foreign entities.

The use of taxpayer funding for the acquisition of foreign entities is a crime against the American people that will further erode their faith in the federal government and our economic system. I ask the Treasury to place restrictions on participating institutions to ensure funding will be used to inject capital into US markets as originally intended by Congress.

Sincerely,

Darrell Issa  
Member of Congress