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January 29, 2009

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader Reid,

As you know, we are suffering through the worst financial crisis since the Great Depression. Millions of people are losing their homes, life savings, jobs, health insurance and pensions. Millions more are anxious that their job will be the next on the chopping-block.

We have an enormous responsibility to explain to the American people what led to this financial crisis, how did we get here, who is responsible, and what we can do to make sure that this never happens again. And, we need to answer these questions as soon as possible.

In my opinion, the best way to accomplish this objective in a timely fashion is to extend the jurisdiction and authority of the TARP Oversight Panel, chaired by Elizabeth Warren, to include a careful and thorough investigation of the causes of the financial difficulties that led to the creation of the TARP. The panel's power should be expanded to include subpoena power.

Citizens – who as taxpayers bear the burden of supplying these bailouts for banks – have the right to know what went wrong in our system of finance such that:

- Some financial institutions became 'too big to fail.'
- Provisions put in place after the bank collapses in 1929 to ensure that such collapses would not happen again, or at least with no similar catastrophic effect, did not protect the banking system from near-systemic failure.
- Financial sector firms made such disastrous investment decisions that the government has had to intervene in massive ways.

As President Obama said in his Inaugural Address, "Our economy is badly weakened, a consequence of greed and irresponsibility on the part of some," as he called for "a new era of responsibility."

In order to accomplish this very important goal, we need to examine what responsibility should be borne by individuals, corporations, and institutions for the poor decisions and foolish investments that have in large measure created this monumental crisis.

The TARP Oversight Panel is already in place. A sensible next step would be to expand its charge from that of scrupulously examining how the TARP monies are spent, to also exploring why the financial crisis occurred in the first place. The Panel should have the subpoena power necessary to assure that it receives sound information and direct answers to the questions it is charged with answering.

Thanks very much for your consideration to this request.

Sincerely,

Bernard Sanders
United States Senator