

House Passes Bill to Create Bipartisan Commission to Investigate Financial Crisis

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“The establishment of this bipartisan commission is an important step forward in reforming our financial markets,” said Michaud. “If we can fully understand all the factors that helped bring about the financial crisis, we will be well positioned to prevent a repeat of recent history and promote future stability and confidence in our markets.”

The Financial Markets Commission will hold hearings, can issue subpoenas for witness testimony or documents and must report its findings and conclusions to Congress by December 15, 2010. The Commission is required to examine the causes of major financial institutions that failed or were likely to fail without government assistance. The Commission will also look at a broad range of areas, including the role of: fraud and abuse in the financial sector, state and federal regulatory enforcement; credit rating agencies; lending practices and securitization; corporate governance and executive compensation; federal housing policy; derivatives; government sponsored enterprises; and short-selling, among others.

S. 386 would also protect taxpayers by giving the Justice Department more tools to fight fraud in the use of Troubled Asset Relief Program (TARP) and recovery funds.

“I voted against the Wall Street bailout in the first place because it contained insufficient safeguards to protect taxpayers’ investment,” said Michaud. “This bill would make it a federal crime for government contractors to defraud the government of funds under the bailout and the economic stimulus package. This is the least that we should be doing.”

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