

WASHINGTON (April 16) – Congressman Spencer Bachus (AL-6) today released the following statement upon reports that the Securities and Exchange Commission charged Wall Street firm Goldman Sachs with civil fraud.

Bachus is Ranking Member on the House Financial Services Committee.

“Today’s action by the SEC is yet another reason why we need real financial regulatory reform that starts with ending the bailouts.

“The Democrat bailout bill forces the taxpayers to pay for Wall Street’s sins. The creation of a bailout fund will only lead to indemnifying failed non-banks and their creditors from their bad decisions and does not solve the fundamental problems that led to the firm’s failure in the first place.

“AIG is a perfect example of the government handing a \$182 billion bailout to an institution that engaged in risky, if not fraudulent, behavior. The bailout of AIG benefited Goldman by using taxpayer dollars to make the firm whole on billions of dollars of bets connected to subprime lending. The Democrats’ proposal gives government regulators the ability to conduct AIG-style bailouts in the future.

“We can’t allow the Democrats to create a permanent bailout regime that gives Wall Street the ability to prey on taxpayers to hedge their own bad bets.

“The House Republican bill puts an end to the bailouts to ensure that taxpayers are never again on the hook for Wall Street’s deceptive practices.”

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