



# Accountable America

February 26, 2010

Phil Angelides, Chairman  
Hon. Bill Thomas, Vice-Chairman  
Financial Crisis Inquiry Commission  
1717 Pennsylvania Avenue, NW  
Suite 800  
Washington, D.C. 20006-4614

Dear Mr. Angelides and Mr. Thomas,

I am writing on the occasion of the Commission's forum at American University College of Law with concern about the trajectory of your work.

As you know, Congress gave the Commission a very broad mandate and specific powers. Among the most powerful of these are the public hearings with cross-examinations of witnesses under oath and subpoenas.

I reach several conclusions that cause concern. Specifically,

- First and foremost, there is no indication that you will hear from the victims of the Madoff frauds, other failed institutions or the broader financial crisis despite a specific congressional mandate to investigate these frauds and the investor protections that failed and continue to fail these victims. **Victims should have a full airing of the concerns and an opportunity to respond to the financial leaders and regulators during open hearings.** Their personal hardships escalate as response is delayed.
- Subpoenas have not been issued for current or former regulators who were either asleep at the switch or complicit in the financial disasters that have wrecked the economy. This includes former S.E.C. Chairman Christopher Cox as well as Federal Reserve Chairman Ben Bernanke and former Chairman Alan Greenspan. **Former regulators should be subpoenaed, sworn in and cross-examined.**
- Today's forum with input from academic experts has none of the character of investigation that Congress suggested when establishing the Commission. There is value to the expertise of these witnesses but my concern is that a month has been spent preparing for academic study instead of conducting investigations. Public education is not part of your mandate—public investigation is part of your mandate. **Use your public events as a tool where cross-examination and investigation provide anti-septic to the rot that continues to besiege our financial system.** This in turn compels action so these events never happen again—and hopefully relief is provided in the near term by agencies and Congress.

- The schedule and pace of work is too slow. You have been commissioners since July 2009 and this is only the third time you have met in public. Your first hearing with witnesses occurred only a month ago. If there are specific commissioners who are being uncooperative with the scheduling they should be called to account in public—this is not a post for somebody interested in padding their résumé. **The Commission should hold more frequent hearings that go in-depth with witnesses.**
- The announcement of the date, time and place for your meetings occurs with insufficient public notice. Today’s forum was announced only two weeks ago and the time of day was announced only two days ago—giving the public inadequate notice. Further, the meeting location is not easily accessed by public transportation and does not have adequate seating for the public. **The Commission should announce a draft schedule of hearings with dates and locations for the rest of the year and ask for public input.**
- No subpoenas have been issued despite this powerful tool to reach any potential witness, anywhere. There is no reason to leave this tool unused. In the coming weeks we will provide you with a potential witness list prepared by veteran investigators of other frauds. **The Commission should use its powers to move the investigations forward.** Your report is due in December, the work should occur without delay.
- **If Congress has provided you insufficient resources, publicly ask for more.** When citizen groups called for the establishment of this Commission in the Spring of 2009 the Congress responded within a few weeks—there is no reason to assume they would not respond to your request now especially given the scale and scope of the ongoing crisis.

Finally, you were commissioned by Congress in legislation titled as the, “Fraud Enforcement and Recovery Act of 2009.” **The tone of the Commission’s work should lean towards law enforcement and action—not academic research.**

**An important first step is to schedule hearings around the Madoff affair including victims, regulators past and present and the agencies charged with responding.**

The American taxpayer continues to be victimized by the financial crisis. We all essentially live today in the same regulatory environment that existed two years ago and with many of the same people still in positions of authority.

If the Commission fails to meet the mandate of Congress, you are allowing these economic crimes to continue to happen and should be held accountable as well.

Sincerely,

Tom Matzzie  
Chairman, Accountable America