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FOR IMMEDIATE RELEASE

A New, Comprehensive TANC Research Study on the U.S. Economy:

**WHAT THE FEDS HAVE NOT DISCLOSED ABOUT THE LONG-TERM COSTS OF  
BAILOUTS, TWO STIMULUS PACKAGES & OTHER FORMS OF GENERAL  
MALFEASANCE TRANSLATES TO OVER \$15 TRILLION IN NATIONAL DEBT**

TANC Presentation Charts Causes & Effects of Rampant, Unchecked Gov't Deregulation

***Data Reaffirms TANC's Call to Americans for "Citizen Oversight" and "Direct Democracy  
to Overhaul & Reform our Federal Government***

**LOS ANGELES, CA** (February 11, 2009) — *Trans-American Alliance for a National Consensus* (**TANC**) has released its first comprehensive research study and presentation probing into the full extent and cost of U.S. government policies resulting in over \$15 trillion in "external" national debt by the end of the first quarter 2009. Of particular note from the multi-chart presentation exploring a wide array of socio-economic problem areas besieging America's economy, **TANC's** collection of data regarding the U.S. Treasury Department's *Troubled Asset Relief Program* (TARP) reveals a larger-than-expected \$891.1 billion long-term commitment to corporate banking, insurance and auto companies — when combining short-term TARP allocations with long-term guarantees and other so-called "back-stop" loans.

The most recent government data reported \$13.7 trillion in "external" national debt (a combination of public- and private-sector debt), according to the Central Intelligence Agency's *World Factbook* (ending June 30, 2008). However, **TANC** is now projecting that the U.S. government's two rounds of economic stimulus packages (including its TARP corporate bailouts) and other interventionist efforts will balloon external national debt to upwards of \$17 trillion by the end of this year.

On the public-sector side of the ledger, alone, the U.S. federal government last reported \$10.6 billion in debt (with fiscal year 2008 alone accounting for just over \$1 trillion in federal deficit spending), according to U.S. Treasury Department data as of November 19, 2008. However, with the U.S. House of Representatives approving H.R. 1424 in October 2008 (the "Emergency Economic Stimulus" TARP package initially earmarked at \$700 billion), Congress approved a lifting of the federal debt to \$11.3 trillion (as of October 13, 2008).

**TANC** is projecting that federal government debt alone will approach \$13.5 trillion to \$14 trillion before the end of 2009. (Since it was authorized prior to TARP's enactment, it is not immediately clear if the Treasury Department included the \$200 billion bailout of government-sponsored mortgage backers Fannie Mae and Freddie Mac [at \$100 billion each] in their latest national debt reporting.)

“While the economic stimulus packages are considered to be badly-needed interventionist steps to revive the American economy and create up to 3.2 million new jobs, American taxpayers should have the right to call for ‘Citizen Oversight’ of our federal government,” said Michael A. Freeman, **TANC’s** Executive Director.

“After all, it is 20-plus years of widespread federal deregulation of many key industry sectors which have wrought upon us the current ‘Subprime Mortgage Lending Crisis,’ much in same fashion as ‘The Savings & Loan Scandals and Bailouts’ of the 1980s and 1990s,” Mr. Freeman added. “The accumulation of over \$11 trillion in federal government debt alone [currently] only validates **TANC’s** contention there has long existed a widespread *systemic* pattern of federal government malfeasance by both major political parties — largely fueled by the rise of corporate lobbyists [particularly from the banking/finance, real estate and insurance industries], special interest groups and other “so-called” influence peddlers based out of Washington, D.C.”

Other key findings of the chart-based research include:

- Roughly 387 corporate entities have already received TARP allocations totaling \$366.9 billion in disbursements (as of Jan. 30, 2009). However, application requests for TARP funding are estimated to total \$427.5 billion (according to SEC filings, U.S. Treasury data and published reports, while total loan guarantees and other so-called “back-stop” loan commitments total roughly \$891.1 million (see slide/page 2) — well over the \$700 billion Congress budgeted for the TARP program.
- Executive bonuses for the five largest Wall Street corporate banking/financial firms (slide/page 2) — Citicorp (\$25.90 billion), Bank of America (\$6.77 billion), JP Morgan Chase (\$6.53 billion), Goldman Sachs (\$6.85 billion), Morgan Stanley (\$6.44 billion), and American International Group/AIG (\$503 million) — had initially been earmarked at \$52.99 billion for fiscal year 2008 (according to earlier Securities & Exchange Commission filings). However, after receiving over \$366.9 billion in TARP bailouts (as of Jan. 30, 2009) and coming under greater public and federal scrutiny, the New York State Comptrollers office estimated Wall Street firms pared down executive bonuses to \$18.4 billion (as of Dec. 31, 2008). Still, President Obama decried the level of bonuses as “shameful.”
- Mainland China (\$585.0 billion) and Japan (\$573.2 billion) account as the two largest holders of U.S. Treasury Securities debt at just over a 40% total, respectively holding 20.45% and 20.04% of U.S. federal government debt each (slide/page 3). The increased investment from these two burgeoning Asian economies is reflected in the growing trade imbalance accumulated by the U.S., which has gone from little over \$100 billion in the negative in 1989 to over \$700 billion each of the last four years, according to U.S. Census data. As expected, the data reflects a growing reliance on foreign-made goods and services, but still raises nagging questions about the fairness of standing trade treaties and the growing “outsourcing” of American jobs.
- The United Nations’ *2007-08 Human Development Index* (slide/page 4), a key measure of the quality of life and standard of living in leading industrialized nations, found the United States slipping four ranks in one year to being the 12<sup>th</sup>-ranked nation overall. Interestingly, in a possible correlation between improving HDI scores is the fact that 18 of the 20 nations ranked are “Direct Democracies” and current/historical practitioners of national electorate referendums — excluding the U.S. and Japan.
- The unemployment rolls for American workers has grown 57% over the last 10 years, from 4.6% in 1998 to 7.2% at the end of 2008 (slide/page 5), according to U.S. Bureau of Labor statistics. Taking into account the latest January 2009 unemployment moving

up to a 7.6% rate (ending Jan. 30, 2009), it would inflate the 10-year growth in unemployment by an overall 65-percent clip over the span — counting 11.6 million total documented unemployed workers and 81.6 million people “not in the labor force” to start February 2009.

- The number of Americans not being able to secure health insurance has grown 51% from 1987 to 2008, going from 31.5 million people to 47.5 million Americans unable to either afford or secure healthcare coverage (slide/page 5), according to the U.S. Department of Commerce.
- The impact of the deregulation of the U.S. mortgage lending industry, combined with a decade-long Congressional push to make home loans much more readily available to Americans and illegal aliens with higher credit-risk factors/scores, put the Federal Reserve in the position of purchasing up to \$38 billion in open-market “repossessed” Mortgage Backed Securities in July 2007 alone (slide/page 6). Additionally, the growing number of predatory and often fraudulent subprime Adjustable Rate Mortgages (ARMs), led to a 1,700-percent increase from \$35 billion in loans written in 1996 to over \$600 billion in 2006, according to U.S. Treasury data.
- Foreclosures totaled 4.4 million U.S. homes over the last two full years (2007-08), leading to \$435 billion in losses on Mortgage Backed Securities (as of July 31, 2008), according to the U.S. Treasury Department (slide/page 7)
- The domino effect of the subprime crisis, as mapped out on slide/page 8, highlighted a startling \$4.2 trillion loss in home equity (from a peak of \$13 trillion in 2006 to \$8.8 trillion by mid-2008) and causing massive negative “ripple” monetary trends throughout the U.S. economy.
- Spending on U.S. lobbying efforts, coordinated by 40,000-plus registered lobbyists based out of Washington, D.C., accounted for an eye-popping \$16.5 billion in total expenditures from 1998-2006, according to OpenSecrets.org and Wikipedia.org (slide/page 9). Perhaps, of no coincidence or little surprise to some, the biggest lobbyist spending category belonged to groups associated with the banking/finance, insurance and real estates industries (\$2.558 billion over the nine-year span) — also the biggest corporate benefactors of the first-round \$700 billion economic stimulus package.

“The economic data, taken in its totality, paints a very disturbing, bleak picture of the grossly negative impact corporate lobbyists and other special interests have had in the shaping of federal economic policies and regulation...especially with a real lack of the latter,” said Mr. Freeman.

“At the behest of the giant banking/real estate lobby, it was the federal government that set into motion legislation which pushed this country toward an economic precipice,” Mr. Freeman added. “First, it was Congress that *encouraged* looser home mortgage lending procedures through regulatory revisions of *The Community Reinvestment Act* [from 1992-2002] promoting banks to make greater accessibility of home loans to otherwise less creditworthy consumers. Secondly, in 1999, then-President Clinton signed into law the *Gramm-Leach-Bliley Act*, also known as the *Financial Services Modernization Act*, which, in parts, repealed the post-depression era *Glass-Steagall Act* — a bill that had previously prevented the banking scams and predatory lending practices [such as Adjustable Rate Mortgages or so-called ‘Balloon Mortgages’] that now plague the entire U.S. economy. Thanks to lobbyists and the deregulatory policies of our federal government, these aforementioned developments created a kind of ‘economic tsunami’ that may take years or decades to navigate our way out of. That’s why citizen oversight is so critical in making sure something like this doesn’t happen again.”

**About TANC:**

**Trans-American Alliance for a National Consensus (TANC)** is a California-based nonprofit 501[c] [4] “mutual benefit” organization, is dedicated to establishing a national “Electorate Legislative Consortium” as part of a nonpartisan, college-backed consortium bringing together all key segments of society to author and enact “consensus” federal legislation. The primary mission of **TANC** — potentially supported full-time by college students and scholars — is to act as a complementary but binding “fourth branch” arbiter between the established Legislative, Executive and Judicial branches of the U.S. government. To convene on a local, regional and national basis through a representational number of universities and colleges in the United States, **TANC** is empowered to bring badly-needed consistency, accountability and transparency to policy- and law-making from the federal government. Also referred to as **The Alliance**, the overriding goal is to establish **TANC** as a nonpartisan “ethical conscience of democracy,” effectively seeking to contradict or mitigate the influence some well-funded lobbyists, special interest groups and political action committees hold on politicians throughout the corridors of power in Washington, D.C. For more information and how you can participate to make “Citizen Oversight” a potential fixture of future federal governance, please visit us at [www.transamericanalliance.org](http://www.transamericanalliance.org).

Along with the attached presentation, which we encourage you to forward via email to your friends, co-workers and relatives, you can also find this “Federal Malfeasance” presentation on SlideShare.net at [http://www.slideshare.net/MAF\\_TANC/tanc-research-federal-government-malfeasance-by-the-numbers](http://www.slideshare.net/MAF_TANC/tanc-research-federal-government-malfeasance-by-the-numbers). Also available for viewing and downloading at either **TANC’s** Web site (<http://www.transamericanalliance.org/19.html>) or SlideShare.net are our “**TANC: Roadmap to Direct Democracy Reform**” platform presentation ([http://www.slideshare.net/MAF\\_TANC/tanc-presentation-audio-112208-presentation](http://www.slideshare.net/MAF_TANC/tanc-presentation-audio-112208-presentation)) and **TANC’s** proposed draft bill, the *National Alliance Renewal Act* ([http://www.slideshare.net/MAF\\_TANC/tanc-draft-bill-national-alliance-renewal-act-nara](http://www.slideshare.net/MAF_TANC/tanc-draft-bill-national-alliance-renewal-act-nara)).

You can also make a huge difference by mailing or emailing the attached copy of the **TANC** “Federal Malfeasance” presentation to your elected congressional/senate representatives by searching for their email addresses at <http://www.congress.org/congressorg/directory/congdir.t>. Letters to the President, Vice President and other members of executive branch-level cabinet departments can be sent to [comments@whitehouse.gov](mailto:comments@whitehouse.gov) or and The White House, 1600 Pennsylvania Avenue NW, Washington, DC 20500. (Please only transmit “pasted” text in emails to whitehouse.gov addresses because the White House will “bounce-back” emails with attached files.)

You can also find information how to join in **TANC** membership at our Web site or with our **TANC LinkedIn.com Group** portal at [http://www.linkedin.com/groups?gid=129546&trk=hb\\_side\\_g](http://www.linkedin.com/groups?gid=129546&trk=hb_side_g). If you have any inquiries, suggestions or thoughts, please share them with us at [ThinkTANC@transamericanalliance.org](mailto:ThinkTANC@transamericanalliance.org).

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