



Premier Banking & Investments™  
Bank of America  
Learn More



featuring Sports

Today Show

Nightly News

Dateline

MSN Home | Mail

More

Sign In



Business / Economy in Turmoil



## Where'd the bailout money go? Shh, it's a secret

< Prev | 1 | 2

Nearly every bank AP questioned — including Citibank and Bank of America, two of the largest recipients of bailout money — responded with generic public relations statements explaining that the money was being used to strengthen [balance sheets](#) and continue making loans to ease the credit crisis.

A few banks described company-specific programs, such as JPMorgan Chase's plan to lend \$5 billion to nonprofit and health care companies next year. Richard Becker, senior vice president of Wisconsin-based Marshall & Ilsley Corp., said the \$1.75 billion in bailout money allowed the bank to temporarily stop foreclosing on homes.

But no bank provided even the most basic [accounting](#) for the federal money.

Story continues below ↓

advertisement | [your ad here](#)

"We're choosing not to disclose that," said Kevin Heine, spokesman for Bank of New York Mellon, which received about \$3 billion.

Others said the money couldn't be tracked. Bob Denham, a spokesman for North Carolina-based BB&T Corp., said the bailout money "doesn't have its own bucket." But he said taxpayer money wasn't used in the bank's recent purchase of a Florida [insurance company](#). Asked how he could be sure, since the money wasn't being tracked, Denham said the bank would have made that deal regardless.

### Market update

Index	Last	Change	% change
DJIA	8519.69	-59.42	-0.69%
NASDAQ	1532.35	-31.97	-2.04%
S&P 500	871.63	-16.25	-1.83%

Enter company symbol [Look up symbol](#)

Get Quote

Sponsored by Scottrade: Switch and get up to \$100!

Data: [MSN Money](#) and [ComStock](#)

### Sponsored Links

**\$12,000, \$7,000/Month**  
I Was Laid Off. I Got A \$12,000 Grant. Now I Make \$7,000 A Month...  
[BillsSuccessStory.com](#)

**Single Mom Makes \$5K/mth**  
Read how a Single Mom makes over \$5000 a month from her home.  
[CarlasMoney.com](#)

**Two Stocks to Buy Now**  
Get David & Tom Gardner's 2 top-rated stocks free!  
<http://www.fool.com>

**Refinance Now at 5.0%**  
Mortgage Refinance: \$200,000 loan for \$791/mo. No SSN - Save Now!  
[www.MortgagesBestRates.com](http://www.MortgagesBestRates.com)

**Small Business Grants**  
Billions of Dollars Available! How much are you entitled to?  
[USGrantGuide.org](#)

### Resource guide



Get Your 2008 Credit Score



Find a business to start



Movies delivered - Try free



Phones make great gifts!



Search Jobs



Find Your Dream Home



### Categories

U.S. news

World news

Politics

Business

Stocks & economy

U.S. business

World business

Autos

Real estate

Retail

Careers

Personal finance

Small business

Viewpoints

Sports

Entertainment

Tech & science

Health

Travel

Weather

Local news

Browse

Video

Photos

Community

Disable Fly-out

### Marketplace

Shopping

Get a Holiday Deal

Credit Score \$0

at CreditReport.com

Start a business

Entrepreneur.com

Netflix

Try for Free

Career Center

via Monster

Homes for Sale

via HomePages.com

Investments

\$7 online stock trades

Others, such as Morgan Stanley spokeswoman Carissa Ramirez, offered to discuss the matter with reporters on condition of anonymity. When AP refused, Ramirez sent an e-mail saying: "We are going to decline to comment on your story."

### Why the secrecy?

Most banks wouldn't say why they were keeping the details secret.

"We're not sharing any other details. We're just not at this time," said Wendy Walker, a spokeswoman for Dallas-based Comerica Inc., which received \$2.25 billion from the government.

Heine, the New York Mellon Corp. spokesman who said he wouldn't share spending specifics, added: "I just would prefer if you wouldn't say that we're not going to discuss those details."

The banks which came closest to answering the questions were those, such as U.S. Bancorp and Huntington Bancshares Inc., that only recently received the money and have yet to spend it. But neither provided anything more than a generic summary of how the money would be spent.

Lawmakers say they want to tighten restrictions on the remaining, yet-to-be-released \$350 billion block of bailout money before more cash is handed out. Treasury Secretary Henry Paulson said the department is trying to step up its monitoring of bank spending.

"What we've been doing here is moving, I think, with lightning speed to put necessary programs in place, to develop them, implement them, and then we need to monitor them while we're doing this," Paulson said at a recent forum in New York. "So we're building this organization as we're going."

Warren, the congressional watchdog appointed by Democrats, said her oversight panel will try to force the banks to say where they've spent the money.

"It would take a lot of nerve not to give answers," she said.

But Warren said she's surprised she even has to ask.

"If the appropriate restrictions were put on the money to begin with, if the appropriate transparency was in place, then we wouldn't be in a position where you're trying to call every recipient and get the basic information that should already be in public documents," she said.

[CLICK FOR RELATED CONTENT](#)

**Wall Street still not downgrading to first class**  
**UPDATED Toyota expected to barely break even this year**  
**\$1.6 billion went to bailed-out bank execs**  
**Trade barriers toughen with global slump**

Garrett, the New Jersey congressman, said the nation might never get a clear answer on where hundreds of billions of dollars went.

"A year or two ago, when we talked about spending \$100 million for a bridge to nowhere, that was considered a scandal," he said.

[MORE FROM MSNBC.COM](#)

**Sex slavery a way of life for some in U.S.**  
**Hard times keep some apart on holidays**  
**Auto industry bailout is just a brief reprieve**  
**Doomsday detectives battle nuclear terrorism**  
**FirstPerson: Reader memories of 2008 | Send yours**

\$7 trades, no fee IRAs



Find your next car

**CROWNE PLAZA**  
HOTELS & RESORTS  
THE PLACE TO MEET.  
1-888-233-0368

Save 10%  
or More

[CLICK HERE](#)

Copyright 2008 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

< Prev | 1 | 2

 **Discuss Story**  
On Newsvine

**Rate Story:**  
View popular  Low High  
4.5 after 820 ratings

 **Email**

 **Instant Message**

 **Print**

## MORE FROM ECONOMY IN TURMOIL

**Next →** [Mortgage re-defaults up; no sign of slowing](#)

**Banks keep bailout spending secret**

## SPONSORED LINKS

[Get listed here](#)

### 1 Flat Stomach Rule: Obey

I Cut Down 2 lbs of Stomach Fat Per Week by Obeying this 1 Old Rule  
[AubreysDietBlog.com](#)

### Rachel Ray's Diet Works

Read how I lost 44 pounds without a diet. As seen on CNN, MSNBC & FOX  
[BeckysWeightLoss.com](#)

### d-CON® Official Site

Learn from the Experts at d-CON®. FAQs, Product Info, Savings & More.  
[www.d-CONproducts.com](#)

### 1 flat stomach rule: obey

I cut out 2 lbs of stomach fat per week by obeying this 1 old rule  
[AmysDietingBlog.com](#)

### Mucinex®

Breaks up the mucus that causes chest congestion for 12 hours  
[www.mucinex.com](#)



Featuring [Today](#) [Nightly News](#) [Dateline](#) [Meet the Press](#) [MSNBC TV](#) [Newsweek](#)

Categories [Top stories](#) [Local news](#) [U.S.](#) [World](#) [Politics](#) [Business](#) [Sports](#)  
[Entertainment](#) [Health](#) [Tech & science](#) [Travel](#) [Weather](#)

About [About us](#) [Contact](#) [Site map](#) [Jobs](#) [Terms & conditions](#)



Alerts via IM



E-mail updates



RSS & feeds



Mobile headlines



Podcasts



Widgets