

# We The People Foundation For Constitutional Education, Inc.

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## **Federal Lawsuit Filed to Stop AIG Bailout**

### **U.S. Lacks Constitutional Authority for Emergency Loan**

*Queensbury, NY* -- On the day following the 221st anniversary of the signing of the U.S. Constitution, WTP Chairman and constitutional activist Robert Schulz today filed a federal lawsuit in United States District Court in Albany seeking to halt the execution of the emergency bailout of American International Group, Inc. (AIG) by the United States Government and the Federal Reserve.

The lawsuit asserts that the commitment of public funds and credit for the direct benefit of privately owned AIG is an *ultra vires action by the United States Government and Federal Reserve*, i.e., beyond the limited legal authority granted by the Constitution. The lawsuit asks for a "show cause" hearing demanding that the Government produce evidence of its legal authority to commit public funds for such a purpose, as well as emergency and permanent injunctions halting the bailout transaction.

According to available information regarding the transaction, the Federal Reserve will loan AIG \$85 billion dollars to stabilize its financial crisis, in effect, using taxpayer money to fund the loan. In consideration of taxpayer financing of the private bailout, the U.S. will receive stock warrants for 79.9% of AIG stock.

Schulz believes that, "Beyond the moral hazard and dangerous precedent established by this action, it is of vital importance that the American people recognize that the present financial crisis is a direct and predictable result of decades of constitutional violations by the Federal Government. Through a long-standing policy of disinformation and collusion with the Federal Reserve and Wall Street financial elite, the United States Federal Government has denied public access to information about the secretive operations of the privately owned and operated Federal Reserve and its monopoly control of America's money system. This monopoly control of our currency by a private banking cartel has resulted in increasing distortion, volatility and cyclical (boom and bust) economic conditions in the U.S. and abroad. America's fiat currency (produced from thin air) is manipulated by the Federal Reserve for the benefit of its owners, major Wall Street financial institutions and the Federal Government and is not unaccountable to the taxpayers. These abuses of the Constitution have taken our financial system to edge of the abyss. The chickens have come home to roost."

Since 2002, the We The People Foundation and its supporters have tried, thus far unsuccessfully, to get the Government to respond to a number of First Amendment Petitions for Redress of violations of the Constitution, including the Federal Reserve System's violation of the money clauses of the Constitution. Had the Government honored the Constitution and its obligation to respond to the citizens' Petitions for Redress, many of the nation's financial and monetary problems could have been avoided.