

"I consider one of my most important jobs to be chief risk officer of our firm," Mr. Corzine told that conference.

Yet soon after joining MF Global, Mr. Corzine torpedoed an effort to build a new risk system, a much-needed overhaul, according to former employees. (A person familiar with Mr. Corzine's thinking said that he saw the need to upgrade, but that the system being proposed was "unduly expensive" and was focused in part on things the firm didn't trade.)

While risk at the firm had been sharply increased with the bet on European sovereign debt, there was a compelling argument for Mr. Corzine's strategy.

MF Global had obtained loans to buy debt of Italy, Ireland and other troubled European nations, while simultaneously pledging the bonds as collateral to support the loans. The loans would come due when the bonds matured, which would happen no later than the end of 2012. MF Global, Mr. Corzine reckoned, would profit on the spread between the interest paid on the loans and the coupons earned from the bonds.

But the size of the European position was making the firm's top risk officers, Michael Roseman and Talha Chaudhry, increasingly uncomfortable by late 2010, according to people familiar with the situation. They pushed Mr. Corzine to seek approval from the board if he wanted to expand it.

Mr. Roseman then gave a PowerPoint presentation for board members, explaining the sovereign debt trade as Mr. Corzine sat a few feet away. The presentation made clear the risks, which hinged on the nations not defaulting or the bonds losing so much value they caused a cash squeeze. The directors approved the increase. Mr. Roseman eventually left the firm.

Within MF Global, Mr. Corzine welcomed discussion about his bet and his reasons for it, though some senior managers said they feared confronting such a prominent figure. Those who did challenge him recall making little progress. One senior trader said that each time he addressed his concerns, the chief executive would nod with understanding but do nothing.

These concerns were only internal at first because, while MF Global had disclosed the existence of the transactions in at least one filing in 2010, it never mentioned the extent to which they were used to finance the purchase of European debt.

The firm bought its European sovereign bonds making use of an arcane transaction known as repurchase-to-maturity. Repo-to-maturity allowed the company to classify the purchase of the bonds as a sale, rather than a risky bet subject to the whims of the market. That called to mind an earlier era of trading when firms used repo-to-maturity to finance the purchase of risk-free assets like United States Treasury securities, Mr. Corzine's specialty at Goldman many years earlier.

"It's like a bond trader from 15 years ago went to sleep and suddenly awoke to make these trades," one regulator who later reviewed the transactions remarked to a colleague.

Eventually, MF Global's auditor, PricewaterhouseCoopers, asked Mr. Corzine to report the European debt exposure to his investors. He personally met with the accounting firm in December 2010, two people said, and it was agreed that the transactions would be mentioned in a footnote in the firm's annual report, which was filed on May 20, 2011.

Mr. Speaker, I thank you very much for the time this evening, I thank my colleagues and those who are listening, and I yield back my remaining time.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 9 o'clock and 35 minutes p.m.), the House stood in recess subject to the call of the Chair.

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AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. DOLD) at 11 o'clock and 39 minutes p.m.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DIAZ-BALART (at the request of Mr. CANTOR) for today through December 16 on account of a family medical issue.

ADJOURNMENT

The SPEAKER pro tempore. Without objection, the House stands adjourned until 10 a.m. tomorrow for morning-hour debate.

There was no objection.

Accordingly (at 11 o'clock and 40 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, December 15, 2011, at 10 a.m.

EXECUTIVE COMMUNICATIONS,
ETC.

Under clause 2 of rule XIV, executive communications were taken from the Speaker's table and referred as follows:

4297. A letter from the Under Secretary of Defense (Comptroller), Associate Director of National Intelligence, National Geospatial-Intelligence Agency, transmitting a report of a violation of the Antideficiency Act, National Geospatial-Intelligence Agency case number 10-04; to the Committee on Appropriations.

4298. A letter from the Chairman and President, Export-Import Bank, transmitting a report on transactions involving U.S. exports to the Kingdom of Saudi Arabia pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended; to the Committee on Financial Services.

4299. A letter from the Assistant Secretary, Legislative Affairs, Department of State, transmitting a report concerning methods employed by the Government of Cuba to comply with the United States-Cuba September 1994 "Joint Communiqué" and the treatment by the Government of Cuba of persons returned to Cuba in accordance with the United States-Cuba May 1995 "Joint Statement", together known as the Migration Accords; to the Committee on Foreign Affairs.

4300. A letter from the Chairman, Broadcasting Board of Governors, transmitting the semiannual report on the activities of the Office of Inspector General for the period from April 1, 2011 to September 30, 2011, pursuant to 5 U.S.C. app. (Insp. Gen. Act), section 5(b); to the Committee on Oversight and Government Reform.

4301. A letter from the Acting Staff Director, Commission on Civil Rights, transmit-

ting the Commission's Performance and Accountability Report for fiscal year 2011; to the Committee on Oversight and Government Reform.

4302. A letter from the Chief Human Capital Officer, Corporation for National and Community Service, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Oversight and Government Reform.

4303. A letter from the Assistant Secretary, Legislative Affairs, Department of State, transmitting the Department's Agency Financial Report for Fiscal Year 2011; to the Committee on Oversight and Government Reform.

4304. A letter from the Director of Legislative Affairs, Office of the Director of National Intelligence, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Oversight and Government Reform.

4305. A letter from the Director of Legislative Affairs, Office of the Director of National Intelligence, transmitting 2 reports pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Oversight and Government Reform.

4306. A letter from the Delegated the Authority of the Staff Director, Commission on Civil Rights, transmitting notification that the Commission recently appointed members to the Arizona Advisory Committee; to the Committee on the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. BLUMENAUER (for himself, Mr. POE of Texas, Mr. PAYNE, Mr. BURTON of Indiana, Mr. CARNAHAN, Mr. SRES, Mr. MCCAUL, Mr. BERMAN, Mr. MCGOVERN, Mr. CONYERS, Ms. BASS of California, Ms. LEE of California, and Mr. SMITH of Washington):

H.R. 3658. A bill to strengthen implementation of the Senator Paul Simon Water for the Poor Act of 2005, and for other purposes; to the Committee on Foreign Affairs.

By Mr. PAULSEN (for himself, Mr. DAVIS of Kentucky, Mr. BOUSTANY, Mr. SCHOCK, and Mrs. BLACK):

H.R. 3659. A bill to reauthorize the program of block grants to States for temporary assistance for needy families through fiscal year 2012, and for other purposes; to the Committee on Ways and Means.

By Mr. CARNAHAN (for himself, Mr. BURTON of Indiana, Mr. CONNOLLY of Virginia, Mrs. ELLMERS, Mr. JONES, and Mr. WELCH):

H.R. 3660. A bill to establish the United States Office for Contingency Operations, and for other purposes; to the Committee on Foreign Affairs, and in addition to the Committees on Armed Services, and Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TIBERI (for himself, Mr. NEAL, Mr. BUCHANAN, Mr. RANGEL, Mr. GERLACH, Mr. CROWLEY, Mr. TERRY, Mr. PASCRELL, and Mr. CLEAVER):

H.R. 3661. A bill to amend the Internal Revenue Code of 1986 to make permanent and expand the temporary minimum credit rate for the low-income housing tax credit program; to the Committee on Ways and Means.

By Mr. MCKEON (for himself, Mr. RUNYAN, Mr. AKIN, Mr. THORNBERRY, Mrs.

HARTZLER, Mr. SHUSTER, Mr. AUSTIN SCOTT of Georgia, Mr. ROONEY, Mr. ROGERS of Alabama, Mr. TURNER of Ohio, Mr. PLATTS, Mr. BROOKS, Mr. HUNTER, Mr. WEST, Mr. CONAWAY, Mr. FLEMING, Mr. MILLER of Florida, Mr. LAMBORN, Mr. KLINE, Mr. RIGELL, Mr. WILSON of South Carolina, Mr. YOUNG of Florida, Mr. LOBIONDO, Mr. FRANKS of Arizona, Mr. PALAZZO, and Mrs. BLACKBURN):

H.R. 3662. A bill to amend the Balanced Budget and Emergency Deficit Control Act of 1985 to modify the discretionary spending limits to take into account savings resulting from the reduction in the number of Federal employees; to the Committee on Oversight and Government Reform, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HURT (for himself, Mrs. HARTZLER, Mr. LUETKEMEYER, and Mr. LANKFORD):

H.R. 3663. A bill to amend the Federal Power Act to require the Federal Energy Regulatory Commission to minimize infringement on the exercise and enjoyment of property rights in issuing hydropower licenses, and for other purposes; to the Committee on Energy and Commerce.

By Mr. BILBRAY (for himself and Mr. COHEN):

H.R. 3664. A bill to provide local communities with tools to make solar permitting more efficient, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on Science, Space, and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. DELAURO (for herself, Mr. WELCH, and Mr. BOSWELL):

H.R. 3665. A bill to require the Commodity Futures Trading Commission to impose fees and assessments to recover the cost of appropriations to the Commission; to the Committee on Agriculture.

By Mr. HULTGREN (for himself and Ms. KAPTUR):

H.R. 3666. A bill to direct the Secretary of Transportation to establish a program to assist veterans to acquire commercial driver's licenses, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mrs. McMORRIS RODGERS (for herself and Mr. THOMPSON of California):

H.R. 3667. A bill to provide for a Medicare primary care graduate medical education pilot project in order to improve access to the primary care workforce; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MEEHAN (for himself and Ms. LINDA T. SANCHEZ of California):

H.R. 3668. A bill to prevent trafficking in counterfeit drugs; to the Committee on the Judiciary.

By Mr. RENACCI (for himself, Mr. QUIGLEY, Mr. BUCSHON, Mr. SCHRAEDER, Mr. OWENS, Mr. CARNEY, Mr. HIMES, and Mr. WEBSTER):

H.R. 3669. A bill to improve the accuracy and transparency of the Federal budget process; to the Committee on the Budget, and in addition to the Committees on Rules, Oversight and Government Reform, and Ways and Means, for a period to be subsequently deter-

mined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. WALZ of Minnesota (for himself, Mr. BILIRAKIS, and Mr. OWENS):

H.R. 3670. A bill to require the Transportation Security Administration to comply with the Uniformed Services Employment and Reemployment Rights Act; to the Committee on Homeland Security, and in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ROGERS of Kentucky:

H.R. 3671. A bill making consolidated appropriations for the fiscal year ending September 30, 2012, and for other purposes; to the Committee on Appropriations, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ROGERS of Kentucky:

H.R. 3672. A bill making appropriations for disaster relief requirements for the fiscal year ending September 30, 2012, and for other purposes; to the Committee on Appropriations, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. McKEON:

H. Con. Res. 92. Concurrent resolution directing the Clerk of the House of Representatives to correct the enrollment of the bill H.R. 1540; considered and agreed to.

By Mr. SHUSTER:

H. Con. Res. 93. Concurrent resolution providing for a correction to the enrollment of the bill H.R. 2845; considered and agreed to.

By Mr. ROGERS of Kentucky:

H. Con. Res. 94. Concurrent resolution directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 3672; to the Committee on Appropriations, and in addition to the Committee on House Administration, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CARTER:

H. Res. 495. A resolution recognizing the November 5, 2009, attack on Fort Hood, Texas, as an act of radical Islamic terrorism and Jihad; to the Committee on Armed Services.

By Mr. DANIEL E. LUNGREN of California:

H. Res. 496. A resolution adjusting the amount provided for the expenses of certain committees of the House of Representatives in the One Hundred Twelfth Congress; to the Committee on House Administration.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 7 of rule XII of the Rules of the House of Representatives, the following statements are submitted regarding the specific powers granted to Congress in the Constitution to enact the accompanying bill or joint resolution.

By Mr. BLUMENAUER:

H.R. 3658.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 18 of the Constitution.

By Mr. PAULSEN:

H.R. 3659.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 1 of the United States Constitution, to "provide for the common Defence and general Welfare of the United States."

By Mr. CARNAHAN:

H.R. 3660.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 1. "All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and a House of Representatives."

By Mr. TIBERI:

H.R. 3661.

Congress has the power to enact this legislation pursuant to the following:

This bill makes changes to existing law relating to Article 1, Section 8 which provides that "The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defense and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States;" and Article 1, Section 7 which provides that "All bills for raising Revenue shall originate in the House of Representatives."

By Mr. McKEON:

H.R. 3662.

Congress has the power to enact this legislation pursuant to the following:

The constitutional authority on which this bill rests is the power of Congress to "provide for the common defense," "raise and support armies," and "provide and maintain a navy," as enumerated in Article I, Section 8 of the United States Constitution.

By Mr. HURT:

H.R. 3663.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 3 of the Constitution of the United States.

By Mr. BILBRAY:

H.R. 3664.

Congress has the power to enact this legislation pursuant to the following:

Article 1 Section 8 of the U.S. Constitution reads in part: To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

By Ms. DELAURO:

H.R. 3665.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clauses 3 and 18 of the United States Constitution.

By Mr. HULTGREN:

H.R. 3666.

Congress has the power to enact this legislation pursuant to the following:

Article 1, Section 8, Clause 18: To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States or in any Department or Officer thereof.

By Mrs. McMORRIS RODGERS:

H.R. 3667.

Congress has the power to enact this legislation pursuant to the following:

The bill is enacted pursuant to the power granted to Congress under Article I, Section 8, clause 3 to regulate Commerce with foreign nations and among the several States.

By Mr. MEEHAN:

H.R. 3668.

Congress has the power to enact this legislation pursuant to the following: