

United States Senate

WASHINGTON, DC 20510

June 21, 2011

Secretary Timothy Geithner
United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Geithner:

I write to express concern about United States taxpayer dollars providing funding for World Bank loans to Argentina and to request a suspension of loans to sovereigns not in compliance with International Center for Settlement of Investment Disputes (ICSID) or U.S. Court rulings.

Despite Argentina's failure to repay United States creditors in accordance with court judgments, Argentina has continued to receive loans from the World Bank. Argentina should be precluded from receiving World Bank lending until it resolves its foreign debts and fulfills the conditions of rulings against it. American taxpayers, pensioners, bondholders and businesses have all been harmed by Argentina's failure to honor their debt obligations.

As you know, in 2001 Argentina defaulted on over \$80 billion in sovereign debt. In 2005, then-President Nestor Kirchner offered a one time, take-it-or-leave-it offer to honor the defaulted debt at approximately 25 to 35 cents on the dollar. Many creditors did not take this offer, which was substantially below international norms for sovereign default negotiations.

Argentina still owes the United States government approximately \$360 million, while private U.S. creditors are owed approximately \$3.5 billion. Argentina contested a minimum of 140 lawsuits and failed to comply with over 100 judgments against it. Americans, from taxpayers to bondholders, would benefit from a return of these funds that rightfully belong to the United States.

Despite Argentina's failure to honor its debts or comply with court rulings, the World Bank has continued to loan money to Argentina. The World Bank even approved a new \$400 million loan to Argentina on April 28 of this year. American taxpayers provided \$1.26 billion to the World Bank in FY2010.

Therefore, I request written assurances that you will instruct U.S. Executive Director to the World Bank Ian Solomon to oppose loans to countries that fail to abide by the World Bank's ICSID rulings or judgments by U.S. Courts.

Thank you in advance for your response.

Sincerely,

A handwritten signature in blue ink that reads "Mark Kirk". The signature is fluid and cursive, with the first name "Mark" and last name "Kirk" clearly legible.

Mark Kirk
U.S. Senate