



April 14, 2011

The Honorable Timothy Geithner
U.S. Department of Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Geithner:

On behalf of the National Taxpayers Union's 362,000 members nationwide, I write to call your attention to an important issue: World Bank lending to Argentina. As one of the largest contributors to the World Bank – whose source consists of tax dollars – the U.S. government must not allow the World Bank to use taxpayer funds ineffectively and inefficiently by lending to Argentina.

In early March, the World Bank and Inter-American Development Bank announced that they would lend \$3.5 billion to Argentina. As a country that has repeatedly refused to repay the \$3.5 billion it owes to U.S. creditors, Argentina does not deserve additional resources from these multilateral lending institutions. The World Bank has failed to rectify its poor oversight practices by continuing to support countries like Argentina, and must reevaluate those practices before it extends any additional funds to the Argentine government.

Furthermore, Argentina continues to ignore judgments in the World Bank's arbitral court, the International Centre for the Settlement of Investment Disputes (ICSID), even while accessing new loans. Within the category of actions brought against G-20 nations, Argentina accounts for 84 percent of all pending cases and 44 percent of concluded cases at ICSID.

Members of the U.S. House of Representatives have shown bipartisan support for addressing this issue in previous sessions of Congress by introducing the Judgment Evading Foreign States Accountability Act. This legislation will hold Argentina accountable for its failure to repay its debts and refusal to recognize over 100 U.S. court judgments. We urge the World Bank to follow the lead of Congress in encouraging responsible action by Argentina – rather than continuing to lend money to a country that has consistently exhibited subpar fiscal management.

U.S. taxpayers should not have to shoulder the burden for Argentina's recklessness. The World Bank must refrain from lending additional funds to the Argentine government until it resolves its outstanding debts to the U.S. as well as recognizes court judgments. We deeply appreciate your consideration and action regarding this matter; please feel free to call upon us for any assistance.

Sincerely,

Pete Sepp
Executive Vice President

(Next page, please, for your reference)

Cc: The Honorable Lael Brainard, Under Secretary of the Treasury for International Affairs
The Honorable Marisa Lago, Assistant Secretary for International Markets and Development
The Honorable Nancy Lee, Deputy Assistant Secretary for the Western Hemisphere
Representative John Boehner, Speaker of the House
Representative Eric Cantor, House Majority Leader
Representative Ileana Ros-Lehtinen, Chair, Committee on Foreign Affairs
Representative Connie Mack, Chair, Subcommittee on Western Hemisphere Affairs
Representative Paul Ryan, Chair, Committee on Budget
Representative Chris Van Hollen, Ranking Member, Committee on Budget
Senator Mitch McConnell, Senate Minority Leader
Senator Jon Kyl, Assistant Senate Minority Leader
Senator Kent Conrad, Chair, Committee on Budget
Senator Jeff Sessions, Ranking Member, Committee on Budget