

CONGRESS OF THE UNITED STATES

Joint Economic Committee

JIM SAXTON, CHAIRMAN

CHRISTOPHER FRENZE EXECUTIVE DIRECTOR

PRESS RELEASE

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IMF REFORM COMPLIANCE TO BE CLOSELY REVIEWED — GAO INVITED TO MONITOR IMPLEMENTATION—

WASHINGTON, D.C. – Joint Economic Committee (JEC) Chairman Jim Saxton (R-N.J.) has asked the General Accounting Office (GAO) to monitor the implementation of new structural reforms of the International Monetary Fund (IMF).

The GAO project will provide specific information to Saxton on IMF compliance with the new reforms. Saxton is the author of the IMF Transparency and Efficiency Act. This bill initiated the transparency and lending provisions reflected in the omnibus budget bill.

"I am pleased to announce the GAO will be helping me review the upcoming implementation of the IMF reforms," Saxton said. "While these reforms will make a significant difference if they are properly executed, I have shared the concern that the enforcement mechanism may prove insufficient. I believe that a vigilant review process will help ensure that the reforms will be carried out in accordance with the letter and spirit of the law.

"Those of us in Congress have a responsibility to ensure that congressional intent is being respected in the implementation of these significant reforms. The lack of IMF transparency itself is a major impediment to adequate monitoring of the reform effort. Fortunately, the GAO has demonstrated previously its ability to obtain the necessary information from the IMF and Treasury Department. Last summer, for example, the GAO responded to a JEC request for an overview of IMF finances with the only coherent public statement of the IMF's financial structure available. I am confident this upcoming GAO project will be equally successful.

"As I noted in today's *Wall Street Journal*, the IMF may be retaining outside public relations consultants to avoid making necessary reforms. As stated in the *Journal* article, the IMF has asked its prospective PR firms not to mention its public relations project and refuses to release the documents soliciting bids. At some point the IMF will have to face the fact that real and significant changes are coming, and they cannot be finessed by more secrecy and the expenditure of taxpayer money."

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