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## Goldman coughs up counterparties on AIG hedge

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By [Karey Wutkowski](#)

WASHINGTON (Reuters) - Morgan Stanley (MS.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)), Citigroup (C.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) and JPMorgan Chase (JPM.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) were among banks that sold Goldman Sachs (GS.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) protection against the risk of a collapse of giant insurer American International Group (AIG.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)), a source familiar with the matter said on Friday.

Goldman Sachs has turned over a list of the counterparties, which also includes Deutsche Bank (DBKGn.DE: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) and Credit Suisse (CSGN.VX: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)), to the Financial Crisis Inquiry Commission (FCIC) following a recent hearing exploring the links between Goldman and AIG, the source said.

The source spoke anonymously because the list has not been made public.

Goldman Sachs did not immediately respond to a request for comment, and Citigroup and JPMorgan declined comment. Credit Suisse also declined to comment, and Deutsche Bank did not immediately respond.

Goldman has long been criticized for benefiting from the U.S. taxpayer bailout of AIG. Taxpayers pledged up to \$182 billion to address problems at AIG's financial products division.

The latest detail on Goldman's dealings in connection with AIG further highlights how the investment bank not only bought protection from AIG but also sought to protect itself against AIG.

U.S. and European banks that had purchased credit protection from AIG were quickly made whole after the U.S. government bailed out AIG.

Goldman, as a major trading partner of the insurer, was one of the biggest beneficiaries of the government rescue of AIG.

AIG said in March 2009 that \$93 billion had been paid to banks, including \$12.9 billion to Goldman Sachs, which was the most received by any bank.

The banks who sold Goldman protection against an AIG collapse were also AIG counterparties who received payouts as part of the taxpayer bailout, raising questions about the quality of the protection that Goldman purchased.

The interconnectedness of major banks was a important factor in the spread of the financial crisis, and led the U.S. Congress in 2008 to authorize a \$700-billion bailout package for the financial system.

The tangled relationship between AIG and Goldman was the focus of a crisis commission hearing held three weeks ago.

Commission members questioned whether Goldman had an incentive to act against AIG's interests.

Goldman Sachs officials insisted their demands for billions of dollars from AIG ahead of the government rescue were based on legitimate market prices. They denied gaming values to get a massive payout and said Goldman got no special benefit from AIG's bailout.

(Reporting by Karey Wutkowski in Washington, with additional reporting from Steve Eder, [Elinor Comlay](#) and Maria Aspan in New York, editing by Tim Dobbyn)

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