

Wall Street Controls Congress and the Treasury Secretary

by Anita Gallagher

Who can doubt that Wall Street controls the Members of Congress, when Citigroup openly paid its chief operating officer, Treasury Secretary Jacob Lew, a whopping \$1 million bonus when he joined the Obama Administration in 2009? Lew's contract with Citigroup made it explicit that Lew's eligibility for this special bonus was contingent on his securing a "full-time, high-level position with the U.S. government or regulatory body." Exactly such abuses called the first "Pecora Commission" into being; today, LaRouchePAC demanded a second Pecora Commission to investigate Wall Street's killer grip on U.S. government economic policy.

Far from it being unusual to pay what Bloomberg columnist Jonathan Weil called "a bounty for burrowing deep within government," *The Nation's* Lee Fang reported May 4, that many of the current leadership staffs of both Democratic and Republican Congressmen received six-figure bonuses and other pay incentives from corporate firms shortly before leaving the financial sector to take a job in Congress, and, can collect again by leaving government to return to Finance, Inc.

More than 900 ex-government officials, including 70 former Congressmen, lobbied for the financial services sector in 2009, exemplifying the revolving door from Congress to banks, investment firms, insurance companies, and real estate firms, which is even bigger today. More than 940 former federal employees are federal lobbyists, according to Public Citizen's analysis of data provided by OpenSecrets.org. More than half of the former Members who are lobbyists work for the financial sector; these include former House Speaker Dennis Hastert, former Republican Presidential candidate Bob Dole, and former Rep. Dick Gephardt (D-Mo.). Lobbyists also include 19 former Members who served on the House Financial Services Committee or the Senate Banking Committee.

The financial sector firms employing the most revolving door lobbyists in 2009 were Visa, Inc. (37), Goldman Sachs (33), the Private Equity Council (32), Prudential Financial (30), the American Bankers Association (29), and Citigroup (29) (www.citizen.org).

A sampling of Finance, Inc.'s contributions to members of the House Financial Services Committee for the 2013-14 election cycle shows that these Congressmen raise far more than the average member (unless that member is African-American). Even though it is early in the 2013-14 election cycle, and money is only beginning to flow, a comparison of the money flowing into the Financial Services Committee and Financial Services Subcommittee chairs with the average Member of Congress, shows the financier control which is blocking Glass-Steagall:

- Rep. Jeb Hensarling (R-Tex.), Committee chair, has raised \$1.6 million, already three times more than the average Member of Congress. The leading businesses contributing to him, by category: commercial banks, insurance, securities/investment, real estate, and finance/credit;
- Rep. Maxine Waters (D-Calif.), Ranking Democrat, \$227,000 so far, only one-half of what the average Member has raised; top business contributors: securities/investments, miscellaneous businesses, unions, retail sales, and insurance;
- Rep. Ed Royce, (R-Calif.), \$973,000; 2.25 times the average Member; the top five business contributors: retired, insurance, lawyers, accountants, credit unions;
- Rep. Scott Garrett (R-N.J.) \$572,000, 1.25 times the average Member; top five contributor businesses: securities/investment, insurance, commercial banks, lawyers, and retired;
- Rep. Emanuel Cleaver (D-Mo.): \$223,000; one half what the average Member has received; top five contributors: insurance, securities and investments; accountants, lawyers, public sector.

Wall Street's siege of Congress to repeal the Glass-Steagall Act in 1999 puts the current massive effort to block re-enactment into perspective. The finance, insurance, and real estate sectors contributed more than \$86 million to Members of Congress between 1997 and the key vote on Gramm-Leach-Bliley in November 1999. Those Congressman voting for repeal received an average of \$180,000 (in 1997-99 dollars); those voting against it received about half that—\$90,000 (www.opensecrets.org).