

Does Goldman Sachs run the government?

By [Global Research](#)

Global Research, April 30, 2009

[Washington's Blog](#) 30 April 2009

Region: [USA](#)

Theme: [Global Economy](#)

Everyone agrees that Goldman Sachs pretty much runs the government's economic and financial agencies.

As the New York Times [explained](#) last October in a must-read 4 page article, the presence of Goldman Sachs alumni in virtually all of the top government financial posts is so great that their team is dubbed "Government Sachs":

Indeed, Goldman's presence in the [Treasury] department and around the federal response to the financial crisis is so ubiquitous that other bankers and competitors have given the star-studded firm a new nickname: Government Sachs.

The Times points out that Goldman alums include:

- Former treasury secretary Hank Paulson
- Paulson's bailout chief Neel Kashkari
- Interim Treasury investment officer Reuben Jeffrey
- Key Treasury players Dan Jester, Steve Shafran, Edward C. Forst, and Robert K. Steel
- Key New York Federal Reserve players Stephen Friedman (head of the New York Fed board of governors) , William C. Dudley (head of the New York Fed's unit that buys and sells government securities), and E. Gerald Corrigan (charged with convening a group to analyze risk on Wall Street)

As Glenn Greenwald [writes](#) today:

[Here](#) is just one random item this week announcing a couple of standard personnel moves:

Former Barney Frank staffer now top Goldman Sachs lobbyist

Goldman Sachs' new top lobbyist was recently the top staffer to Rep. Barney Frank, D-Mass., on the House Financial Services Committee chaired by Frank. Michael Paese, a registered lobbyist for the Securities Industries and Financial Markets Association

since he left Frank's committee in September, will join Goldman as director of government affairs, a role held last year by former Tom Daschle intimate, Mark Patterson, now the chief of staff at the Treasury Department. This is not Paese's first swing through the Wall Street-Congress revolving door: he previously worked at JP Morgan and Mercantile Bankshares, and in between served as senior minority counsel at the Financial Services Committee.

So: Paese went from Chairman Frank's office to be the top lobbyist at Goldman, and shortly before that, Goldman dispatched Paese's predecessor, close Tom Daschle associate Mark Patterson, to be Chief of Staff to Treasury Secretary Tim Geithner, himself a protege of former Goldman CEO Robert Rubin and a [virtually wholly owned subsidiary of the banking industry](#). That's all part of what Desmond Lachman — American Enterprise Institute fellow, former chief emerging market strategist at Salomon Smith Barney and top IMF official (no socialist he) — [recently described as](#) "Goldman Sachs's seeming lock on high-level U.S. Treasury jobs."

But that doesn't mean that Goldman has engaged in any self-dealing, does it?

Well, as Time magazine [notes](#):

Among the biggest beneficiaries of the AIG pass-through, at \$12.9 billion, was Goldman Sachs, the investment-banking house that has been the single largest supplier of financial talent to the government. Critics have been quick to note — and not favorably — the almost uncanny influence of former Goldman executives. Initial phases of the rescue were orchestrated by ex-Goldman chairman Hank Paulson, who was recruited as Treasury Secretary in part by former White House chief of staff and Goldman senior exec Josh Bolten. Goldman's current boss, Lloyd Blankfein, was invited to participate in meetings with the Fed. AIG's Liddy is a former Goldman director and an ex-CEO of Allstate. Another alum, Mark Patterson, once a Goldman lobbyist, serves as chief of staff at the Treasury, while Neel Kashkari, who runs TARP, was a Goldman vice president.

Goldman has repeatedly declared that its exposure to AIG was "immaterial" and fully hedged. But some rivals point to the fact that Goldman had uncharacteristically piled into contracts with a single counterparty. "I am shocked that Goldman had this much exposure [with AIG]," says an analyst at a competing bank. "This was a major failing, but they got bailed."

Goldman got bailed twice: first on its CDS exposure and a second time, to the tune of \$4.8 billion, for another AIG fiasco, losses on its securities-lending business.

And Marketwatch columnist Paul Farrell literally [says](#) that Goldman "rules the world":

"Obama's victory and Geithner's appointment are the completion of Goldman's meticulously crafted plan to become a superpower. The firm now has the clout to impose its will on the financial markets, and the world."

GOP or Dems? Conservatives or liberals? It doesn't matter. We'll all be controlled by "The [Goldman] Conspiracy." So why not surrender, let them have the power? The truth is, through their lobbyists and surrogates in Washington, they already rule America.

See also [this](#).

The New York post also [claims](#) that Goldman is gaming the stock market.

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