Goldman Sachs is in the eye of the campaign storm

WASHINGTON — It’s not the biggest player on Wall Street in terms of political money. But Goldman Sachs is financial public enemy No. 1 in this year’s election campaign.

The giant investment bank has become the symbol of the excesses of Wall Street, cited both by liberals leery of deregulated banking and conservatives opposed to big banks and “crony capitalism.” And it’s being singled out for its ties to the political establishment because of two top contenders for the presidency.

Hillary Clinton, the front-running Democratic candidate, received $675,000 in speaking fees
from the firm. Sen. Ted Cruz of Texas, a top challenger for the GOP nomination, borrowed $500,000 from the firm to help finance his Senate campaign and then failed to reveal it on one of his legally mandated disclosure forms. Also, his wife, Heidi, is a managing director at the firm in Houston, although she is on leave.

Their rivals drive home the connections to angry, anti-establishment voters.

“AND NOW HE’S GOING TO GO AFTER GOLDMAN SACHS? DOESN’T WORK THAT WAY. GOLDMAN SACHS OWNS HIM. REMEMBER THAT FOLKS: THEY OWN HIM."

Donald Trump

“I don’t take money from big banks. I don’t get personal speaking fees from Goldman Sachs,” Sen. Bernie Sanders said in a recent debate with Clinton.

“Can you really reform Wall Street when they are spending millions and millions of dollars on campaign contributions and when they are providing speaker fees to individuals? . . . Secretary Clinton – and you’re not the only one, so I don’t mean to just point the finger at you – you’ve received over $600,000 in speaking fees from Goldman Sachs in one year.”

Goldman Sachs was the ninth largest contributor among companies in the finance sector through the third quarter in the 2016 campaign cycle, according to opensecrets.org, a nonpartisan website that tracks money in politics. Goldman had $2.1 million in donations to candidates given by individual employees and a political action committee.

Goldman also has been the second largest contributor through Clinton’s political career, donating $760,740 to her campaigns from 1999, when she began her race for the Senate, through the third quarter of the 2016 election cycle, according to opensecrets.org. The firm has contributed $43,575 to Cruz’s presidential campaign committee.

Is Cruz honest? He is in bed w/ Wall St. & is funded by Goldman Sachs/Citi, low interest loans. No legal disclosure & never sold off assets.

Goldman sends more to Washington than contributions.

“Goldman Sachs has given this country two secretaries of treasury, one on the Republicans, one on the Democrats,” Sanders said.
Indeed, Henry Paulson, a former Goldman chairman and chief executive officer, was treasury secretary under President George W. Bush, and Robert Rubin, a former co-chairman of Goldman, served under President Bill Clinton.

Goldman Sachs, like all financial institutions, wants to influence legislation and regulation, and it opposes additional taxes and the regulation of financial instruments.

Sanders often calls for reinstituting Glass-Steagall, the 1933 act that separated banking and investment in financial institutions. It was partially repealed in 1999.

Still, Goldman Sachs is not the only financial institution to contribute to politicians or to be a Washington player. So what is it about Goldman?

“It’s a metaphor for the highly aggressive investment bank. It’s the brand name for that kind of banking,” said Gerald Benjamin, a political science professor at State University of New York at New Paltz. “It’s been around a long time. When you attack Goldman Sachs, you can attack all of Wall Street.”

Benjamin added that there is also an undercurrent with some people of anti-Semitism. “The names are identifiable Jewish,” he said, and there is still a tendency to refer to “jewish bankers” in a way that suggests Jews have undue influence. Benjamin said he was sensitive to the point because he, too, was Jewish.

The candidates deny any quid pro quo.

Cruz has said he filed the information about the loan on his Senate personal financial-disclosure form and it was an oversight that he missed it on Federal Election Commission campaign forms.
In an interview in the Des Moines Register, Clinton defended taking the fees from Goldman Sachs. “Anybody who thinks they can buy me doesn’t know me,” she said.

Sanders uses the fees to suggest that Clinton, a former New York senator, is beholden to Goldman.

“By the way, without naming any names, Goldman Sachs also provides very, very generous speaking fees to some unnamed candidates,” Sanders told an Iowa crowd. “Very generous. Now I know that some of my opponents are very good speakers, very fine orators, very smart people, but you gotta be really, really, really good to get $225,000 a speech. That’s all I’ll say.”

Goldman Sachs is publicly, at least, not engaging in the debate about its outsized influence.

“Overall, I would say that we here at Goldman Sachs try not to let the noise of the campaign get in the way of getting our jobs done,” Andrew Williams, Goldman Sachs’ vice president of media relations, said in an interview. He had no comment on charges that the firm is looking to acquire influence with politicians. As for paying over $200,000 per speech, he said, “We all want speakers who will interest our clients.”

Leslie Clark contributed to this report.

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