CRC CAPITAL RESEARCH CENTER

Foundation Watch

No Shame on the Left

Herb and Marion Sandler have concealed their role in the housing crisis with large gifts to left-wing causes

By Jonathan M. Hanen

***Summary**: Herb and Marion Sandler made billions of dollars in the mortgage business they sold, and many observers across the political spectrum have noted the harmful role they played in the housing meltdown. Yet their philanthropic efforts, tilted heavily to the far left, have helped them maintain respectability even among those who criticize non-leftist financiers. Mrs. Sandler died in 2012, but her husband soldiers on with their billion-dollar family foundation, supporting the kind of Saul Alinsky-type community organizers who were so helpful when the Sandlers wanted pressure put on business rivals.*

Billionaire leftists Herb (right) and the late Marion (left) Sandler in an undated photograph.

When junk-mortgage billionaires Herb and Marion Sandler gave $600,000 in 2007 to the Pew Charitable Trusts to protect sharks from human predators, it was more than wildlife preservation. In a way they acted out of professional courtesy. These heroes of the uber-rich progressive philanthropy set were pious-talking loan sharks who founded World Savings Bank, through which they gained riches by being the first to push an exotic mortgage product called the "option ARM" (Adjustable Rate Mortgage). It was, as some critics put it, a weapon of mass financial destruction.

"They pushed [mortgage products] which offered several ways to back-load your loan and thereby reduce your early payments, with increasing zeal and misleading advertisements over the next two decades," *Time* magazine noted in its February 2009 cover story, "25 People to Blame for the Financial Crisis." Option ARMs allowed real estate purchasers to borrow themselves into oblivion. Payments could be made so

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low that the mortgage went through "negative amortization." In other words, when borrowers payments didn't chip away at principal, or even at the interest piling up, the borrowers quickly found themselves underwater financially, owing more than their homes were worth.

This might not have been a problem if housing prices continued to rise indefinitely, but eventually they leveled off in many local markets, or even dropped precipitously. Even today, millions of Americans have homes underwater, and millions more are dangerously close, according to a 2014 Zillow report.

When the real estate market hit the wall a few years ago, the Sandlers' mortgage portfolio was doomed. Its vaults were filled with dubious paper as ARM borrowers continued to seek out quick fixes, immersing themselves even further in debt. "This product is the most destructive financial weapon ever deployed against the American middle class," housing lawyer William Purdy told the *New York Times*. In 2006, when Wachovia was fooled into purchasing Golden West Financial Corp., the parent of the Sandlers' World Savings Bank, that lending institution held $122 billion in ARMs.

Wachovia coughed up $24 billion, and the Sandlers, who owned 10 percent of the shares, took in $2.4 billion personally. Not long after, the mortgage markets unraveled and the junk mortgage portfolio Wachovia had taken over began to implode, driving the bank near bankruptcy. Wachovia is no more. The Charlotte, N.C.-based bank was sold to Wells Fargo at the end of 2008 in a $15.1 billion all-stock transaction.

The $2.4 billion the Sandlers pocketed turned them into royalty in the left-wing activist community. They gave about half of their profits to the Sandler Foundation. "Thanks to the Sandlers, Wachovia's loss is the American Left's gain," reporter John J. Miller noted (*National Review*, Nov. 17, 2008).

Giving

Through the Sandler Foundation, the Sandlers have given tens of millions of dollars to groups that seek to hobble America's fight against Islamic fundamentalism, such as Human Rights Watch ($29,850,000 since 2002) and the American Civil Liberties Union ($35,041,000 since 2002).

The Sandlers also helped underwrite the creation of the Center for American Progress (CAP), a liberal think tank "on steroids," according to its founder, John Podesta. Podesta was Bill Clinton's White House chief of staff, a leader in President Obama's transition team, and a senior advisor in the Obama White House until leaving last month to lead Hillary Clinton's presidential campaign. The Sandler Foundation has given the Center for American Progress $37,224,000 since 2004.

The Sandlers fund many environmentalist groups, including Resources Legacy Fund ($15,600,000 since 2008); Oceana ($15,525,000 since 2003); Center for Biological Diversity ($5,576,000 since 2003); Natural Resources Defense Council ($3,450,000 since 2004); Earthjustice ($3,000,000 since 2009); Sierra Club Foundation ($2,500,000 since 2008); Rainforest Action Network ($500,000 since 2008); and the Center for Climate Strategies ($375,000 since 2010).

The Sandlers generously fund Saul Alinsky-inspired community organizing groups, chief among them the now-dissolved Association of Community Organizations for Reform Now (ACORN) (see below). One such group is the PICO National Network, which the Sandler Foundation has given $4.5 million since 2008.Other left-of-center causes to receive money from the Sandler Foundation include Center for Responsible Lending ($39,550,000 since 2005); Pro Publica ($27,000,000 since 2009); Pew Charitable Trusts ($9,064,000 since 2005); Center on Budget and Policy Priorities ($8,096,000 since 2004); American Constitution Society ($3,350,000 since 2003); Free Press ($1,650,000 since 2008); Tides Foundation ($730,000 since 2004); Media Matters for America ($400,000 since 2005); and George Soros's Open Society Institute ($333,000 in 2008).

By looking at the works of one of these grantees in depth, we can gain deeper insight into the Sandler Foundation's political vision for America's future.

The American Constitution Society, for example, is second only to the Brennan Center for Justice in its advocacy of far-left judicial activism. But the ACS presents itself to the public in a more subtle, less in-your-face, manner. Unlike the Brennan Center, the ACS as a nonprofit group does not issue

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comprehensive or unconditional policy statements on its website, but instead supports the publications of individual scholars and working groups that support its thinly veiled progressive agenda. (The Brennan Center, which is located at New York University, was profiled in *Organization Trends*, April 2014.)

The ACS website makes no blanket pronouncements about the left's end goal of universal automatic voter registration for all adults but features a publication by an ACS-backed scholar who opposes Florida's voter registration, early voting, and voter ID laws. The website makes no umbrella statement about the left's unceasing efforts to promote gun control, but includes a paper pushing restrictions on concealed-carry gun laws at the state level.

Many scholars associated with the American Constitution Society denounce the Supreme Court's 2010 landmark *Citizens United* ruling which affirmed the free speech rights of corporations (including labor unions) and other campaign donors to make independent political contributions – but ACS does not take a formal position on the ruling. Left-leaning groups like the Center for Responsive Politics say the ruling "helped unleash unprecedented amounts of outside spending in the 2010 and 2012 election cycles" and helped to spawn "the creation of super PACs, which can accept unlimited contributions from corporate and union treasuries, as well as from individuals."

Similarly, another ACS-backed scholar argued (prior to the Supreme Court ruling) that corporations are categorically not entitled to religious exemptions, with specific reference to *Burwell v. Hobby Lobby* (2014). Hobby Lobby was at the time seeking a limited exemption from the Affordable Care Act's contraception mandate on grounds of religious conscience. Once again the ACS itself seems to have nothing to say on the subject, but it's clear that its scholars frown on faith-based businesses and are hostile to religion in general.

On the surface, the ACS presents itself as comparatively less radical than the Brennan Center in its philosophy of jurisprudence by stating that, "The Constitutional Interpretation and Change Issue Group promotes persuasive and accessible methods of interpretation that give full meaning to the guarantees contained in the Constitution, and debunks the purportedly neutral theories of originalism and strict construction." This vague claim receives no further elaboration on the website. Instead, the ACS offers an Orwellian-titled ebook called *Keeping Faith with the Constitution* that it offers as an instruction manual for interpreting the Constitution. In it, one finds the standard left-wing argument that the "general welfare clause" stands in tension with both the doctrine of federally enumerated powers in Article 1, section 8, and the Tenth Amendment's reservation of unspecified powers to the states—coupled with arguments for the unlimited expansion of the commerce clause into all aspects of civil society. On paper, the Left recognizes the distinction between enumerated federal powers and the powers reserved to the states, but not in the courtroom where its unstated goal is to use the commerce clause to subsume the powers of the states under the aegis of a central government that could no longer be called federal.

On the whole, the legal scholarship coming out of the ACS is no different from that of the Brennan Center. The ACS is just another proponent of the jurisprudential philosophy of the living Constitution, according to which the Constitution has no fixed meaning or principles, but means whatever Supreme Court judges say it means. The scholarly works backed by the ACS seek to advance the radically egalitarian goal of the far-left by invoking the general welfare clause and the political rhetoric of the common good. They seek to provide judicial legitimacy for the government regulation of markets, social institutions, and individual freedoms at a level sufficient to guarantee that the genuinely democratic principle of simple equality before the law is subordinated to the progressives' social goal of equality of results via a system of redistributive tax policies and massively increased transfer payments along the lines of European social democracy.

Philosophy and Hypocrisy

The Sandlers ascended from humble beginnings. Herb was born into a poor family on the Lower East Side of Manhattan while his wife, the former Marion Osher, came from a family in Maine that owned a hardware store. Marion died at age 81 on June 1, 2012, after what family members described as a long battle with severe asthma and migraine headaches.

Mrs. Sandler was a trailblazer. "The daughter of Jewish immigrants from Lithuania and Russia, [she] exploited her keen analytic skills to become Dominick & Dominick's first female executive in 1955 and joined Oppenheimer & Co. as a savings and loan analyst in 1961. Spotting an opportunity, she and her husband, an attorney she had met in the Hamptons, used a bank loan two years later to buy the Oakland S&L, which then had two branches. By the time the co-chief executives were through, there were 285 World branches in 10 states." (*Los Angeles Times*, June 5, 2012)

The Sandlers talk the talk. "I am deeply opposed to wealthy people who exploit the poor, powerful people who prey on the weak, and government representatives who betray the trust of the people they supposedly represent," said Mr. Sandler (*Los Angeles Times*, Nov. 19, 2007).

The Sandlers claim a personal approach to charitable giving. "It starts with outrage," Herb said. "You go a little crazy when power takes advantage of those without power. It could be political corruption…."

"Or subprime lending," interrupted his wife. After shaking his head, Herb added, "The story of subprime is worse than anyone has written so far."

Marion nodded in agreement. "It is," she said (*New York Times*, March 9, 2008).

They ought to know.

According to ex-officials of the now-defunct ACORN, the Sandlers gave money to ACORN and other activist groups to safeguard their economic interests. (CRC senior editor Matthew Vadum discovered this development and reported on it in his book, *Subversion Inc.*, published by WND Books in 2011.)

ACORN members say the Sandlers funded ACORN so it would "go out and attack their primary competition, Wells Fargo." Marcel Reid, who had been a member of ACORN's national board, said that demonstrators were hired to take to the streets to demand an end to the supposed predatory lending practices of the Sandlers' top competitor in the subprime mortgage market at the time, Wells Fargo.

Many ACORN members participated in the actions against Wells Fargo believing that they were part of a legitimate campaign against predatory lending. In reality, it was just another protest-for-hire operation, sources said.

The Sandler Foundation gave close to $11 million to ACORN affiliates from 1999 through 2008. It paid $7.7 million to the ACORN-affiliated American Institute for Social Justice in that period and $3.2 million to Project Vote in 2007 (which was an ACORN affiliate).

In 2003, ACORN published a report accusing two Wells Fargo units, Wells Fargo Financial and Wells Fargo Funding, of predatory lending and other unethical business practices. In New Mexico, ACORN filed 14 complaints against the bank, alleging unfair business practices. In 2004, ACORN initiated a nationwide class action lawsuit against the bank, accusing it of "a broad range of unfair and deceptive lending practices, including misleading borrowers about the real terms and conditions of their loans, 'bait and switch' sales tactics, and routinely failing to inform borrowers with good credit that they can qualify for credit at significantly better rates and fees than those charged them by Wells."

On the date the suit was filed, ACORN held a march and rally in Los Angeles involving 2,000 ACORN members. "ACORN will not allow Wells Fargo to continue to swindle and steal from our communities," said ACORN's then-national president Maude Hurd. "We will fight until they stop their abusive loan practices, and the Wells stagecoach is no longer delivering misery to homeowners." Two weeks before, ACORN filed a separate class action lawsuit in Illinois, accusing the bank of "collecting fees on high rate loans in excess of what is permitted by state law."

In 2005, ACORN unveiled a study of the bank's loans in 42 metropolitan areas that the group claimed showed "a huge racial and economic disparity between the company's prime (less costly) mortgage lending and its higher-cost subprime lending." ACORN also demanded that the Federal Reserve Board remove the bank's CEO, Richard Kovacevich, from its advisory council, "because of Wells Fargo's discriminatory and predatory financial practices."

Marcel Reid thought it was ironic that people who worked at the highly influential Center for Responsible Lending (CRL) gave ACORN demonstrators their marching orders during the Wells Fargo campaign. The Sandlers founded the taxpayer-supported CRL, a longtime ACORN ally that rages against lending practices and champions the Community Reinvestment Act, which played a central role in the nationwide mortgage meltdown of 2007.

While ACORN's campaign against Wells Fargo was in progress, CRL began pointing its propaganda artillery at Wells Fargo while ignoring the predations of the Sandlers. A 2004 report from CRL condemned Wells Fargo. "Lulled by favorable analyst reports, Wells Fargo investors may not realize they are subsidizing a predatory lender . . . Sadly, the people who see these problems most clearly are the unit's customers, who too often face the loss of their home or financial ruin as a result."

Foundation Origins

The Sandlers established the San Francisco-based Sandler Foundation in 1991. On its website, the foundation describes its mission as being "a catalyst to strengthen the progressive infrastructure, expose corruption and abuse, advocate for vulnerable and exploited people and environments, and advance scientific research in neglected areas." As of the end of 2014, the Sandler Foundation had made charitable grants exceeding $700 million, with the majority of the funds distributed since 2006.

Legally, the foundation is not the same kind of entity one normally thinks of as a foundation. Places like the Ford and Rockefeller foundations are "private nonoperating foundations," but the Sandler Foundation is a "type 1 supporting organization," which puts it in the category of a 501(c)(3) public charity. The biggest practical difference this makes is the significantly higher limit on tax deductions that donors can claim if they funnel money into a supporting organization, rather than a private foundation. When the Sandlers were deciding how to finance their philanthropy, the difference between the two types of giving vehicles would have had a lot of zeroes in the number, and the couple chose the side that kept those zeroes in their favor.

The law requires supporting organizations to name the organization supported. In the Sandlers' case, it is the Jewish Community Federation of San Francisco, the Peninsula, Marin and Sonoma Counties.

The foundation has been spending down its endowment aggressively. In fact it states that it is "a spend-down foundation" in a document called "Guiding Principles for Grants." In this regard, the Sandler Foundation is an outlier among left-wing nonprofits. The modus operandi for the far-left over the last several decades has been to infiltrate the boards of conservative foundations, transform their charters, and utterly reverse the donor intent of their founders. The cautionary tales of Ford, Pew, Z. Smith Reynolds and others have been chronicled in *Foundation Watch*. The Sandler Foundation reported total assets of $1,494,865,118 at June 30, 2007. Less than half the money remained on June 30, 2013, when the foundation disclosed total assets of $747,494,350. The philanthropy is ranked 151st in the FoundationSearch Top 10,000 U.S. Foundations by Assets and 19th in the FoundationSearch Top Foundations by Assets for the state of California.

Susan Sandler, daughter of Herb and Marion, is a member of the foundation's board of directors. She describes herself on her LinkedIn profile online as a "policy advocate, activist, donor" based in the San Francisco Bay Area. She "oversees the education portfolio of the Sandler Foundation, in San Francisco, which promotes education policy changes that support high-quality, equitable learning environments" (*Education Week*, Feb. 29, 2012). In a bio accompanying an op-ed she wrote on "personalizing learning," she is described as someone who has been "a teacher, school therapist, professional-development provider and policy analyst, and the president of Justice Matters, a nonprofit organization in Oakland, Calif."

A screen grab from the 2008 "Saturday Night Live" show that enraged the Sandlers who are portrayed here by actors.

She is also listed as co-president of the Oakland-based Progressive Era Project (PEP). It is not entirely clear what that job title entails. The group's website consists of one page with contact information and a mission statement. The group describes itself as promoting "a more just society in California by ensuring that underrepresented communities, particularly communities of color, can fully participate in the political process." It also "works with a consortium of some of the leading progressive donors in California." The description for a job opening at the project that is still online explains that the group exists to gain political power for Left:

"The PEP 'partners'—the three families of donors who created PEP—work towards PEP's mission by carrying out funding to 501 (c) (3), (c) (4), 527s, PACs, and other vehicles. PEP itself has an LLC structure and provides the information and coordination that informs these giving strategies. PEP also houses California VoterConnect, a project that provides voter file data services to progressive organizations and campaigns."

One staffer at PEP, Hugo Mora, previously worked with the Greenlining Institute. That group, essentially a Latino version of ACORN, is most famous for trying to pressure private foundations to reveal the racial, ethnic, and sexual orientation backgrounds of their boards, staff, and grantees. (Greenlining's campaign was chronicled in *Organization Trends*, August 2008.).

Steve Daetz is the foundation's executive vice president. He earned $376,000 in compensation based on a 40-hour work week, according to the foundation's IRS filing covering the fiscal year ended June 30, 2013. He also earned $74,039 in "other compensation from the organization and related organizations." Daetz was previously deputy general counsel at Golden West Financial Corp. and is currently a member of the board of trustees for Earthjustice.

Phyllis Cook, owner of PLC Philanthropic Services, is a member of the Sandler Foundation's board of directors. She earned $60,000 in the year ended June 30, 2013, for her services to the foundation. Cook also sits as a director on the boards of the Bernard Osher Foundation, Jim Joseph Foundation, Gerson Bakar Foundation, Maisin Foundation, Sarlo Foundation, and the (Max L.) Rosenberg Foundation, which is located on the same street in San Francisco as the Sandler Foundation. Former NAACP CEO Ben Jealous also sits on the Rosenberg Foundation board. Cook received the 2007 Association of Jewish Community Organizational Professionals Mandelkorn Distinguished Service Award.

Robert Friend is a member of the Sandler Foundation's board of directors, as well as its investment chairman. Friend is president of San Francisco-based Howard Properties, a privately held real estate investment firm. He is also a member of the board of directors of the UCSF (University of California at San Francisco) Foundation, Osher Center for Integrative Medicine, Taube Foundation for Jewish Life and Culture, Bernard Osher Foundation, and the Moldaw Foundation.

Downfall

After the mortgage bubble popped in 2007 and the stock market collapsed in 2008, the Sandlers were awash in hostile media coverage. They were unaccustomed to being mocked and parodied by the late night TV show "Saturday Night Live," whose players skewered the couple for their contribution to the economic meltdown.

The Sandlers in a 1990 photograph.

In one skit, an actress portraying then-House Speaker Nancy Pelosi (D-Calif.) introduces "Herb" and "Marion Sandler." "Herb" says, "My wife and I had a company which aggressively marketed subprime mortgages, and then bundled them into securities to sell to banks such as Wachovia." "Herb" laments that their portfolio is now valued near zero, though it had been worth much more.

"Pelosi" asks if the Sandlers were able to get anything for their portfolio. Yes, $24 billion, "Herb" responds. "You're not, so to speak, actual victims?" says Pelosi. "Oh no, that would be Wachovia bank," chuckles "Herb". "Actually we've done quite well," says "Marion."

"We're very happy."

"We were sort of wondering why you asked us to come today," "Herb" adds. While he speaks, a fake C-SPAN caption appears at the bottom of the screen showing the couple with the words: "People who should be shot."

As "Herb" and "Marion" walk away they thank an actor playing then-House Financial Services Committee Chairman Barney Frank (D-Mass.) and "Pelosi" for "helping block congressional oversight of our corrupt activities." "Marion" and "Pelosi" even exchange cheek kisses.

Although the skit poked fun of others, too, including President George W. Bush, the real Sandlers were not happy. After the skit aired, Paul Steiger, editor-in-chief of ProPublica, a journalism nonprofit that churns out left-leaning investigative reports, contacted NBC to complain. Herb Sandler was chairman of ProPublica at the time, and the Sandlers have reportedly donated at least $10 million to it. (Sandler's title is now "Founding Chairman.")

Soon the show's producer, Lorne Michaels, apologized, and the "People who should be shot" caption was cut from the program's video clip. Soon NBC deleted the entire skit from its website and also censored mentions of the skit from its website.

Moving On, from Subprime to Philanthropy

When the Sandlers decided to cash in their chips by selling their empire to Wachovia for that $24 billion, it was late 2006. Around the same time they became major founding members of George Soros's Democracy Alliance, a group of super-rich leftists that aspires to build a permanent political infrastructure of think tanks, media outlets, and activist groups to keep pushing America ever leftward. (The Democracy Alliance was examined in the December 2006, January 2008, December 2008, and October 2014 issues of *Foundation Watch*.)

Herb Sandler now devotes much of his time to philanthropy and safeguarding his legacy. In a recent interview published by Bridgespan.org, Sandler explained that it was always his intention to give his riches away.

"Anybody can give money," he said. "But if you have the ability to improve the output of the organization and to make them more effective, that's really exciting."

Conclusion

Despite all the criticism heaped on the Sandlers, they always remained rather grand and noble in their own eyes. Perhaps the most revealing document is their Pledge Statement of 2010, released when they took the "Giving Pledge" for billionaires championed by Bill Gates and Warren Buffett.

There the Sandlers repeatedly praise themselves, their generosity, and their business acumen. "As former CEOs of a highly successful financial institution, we were rewarded monetarily beyond our wildest imagination … the psychic income—the highs if you will—associated with giving money away thoughtfully and effectively has been even more gratifying than running a successful business."

Amazingly, they even brag about the way they learned "diligence" in their notorious business dealings: "One of our core competencies stems from our experience as CEOs of the second largest savings bank in the country. We understand the critical importance of due diligence, an important part of which is evaluating the management of potential grantees."

Imagine how different America would look if the Sanders had evaluated potential homeowners with the same diligence. But lest you think the Sandlers are somehow lacking in humility, they end their Pledge by declaring, "We are not … interested in self-promotion."

Jonathan M. Hanen is a freelance writer and political consultant based in Washington, D.C. A native of Connecticut, he earned his Ph.D. in philosophy from Boston University. (This article contains passages from Subversion Inc.: How Obama's ACORN Red Shirts are Still Terrorizing and Ripping Off American Taxpayers*, by Matthew Vadum, published in 2011 by WND Books, and reprinted here with the author's permission.)*

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PhilanthropyNotes

Fundraising goes well for the Chicago-based **Barack Obama Foundation**, which is overseeing the creation of the Obama presidential library and museum. The philanthropy took in between $2.75 million and $4.9 million last year, the *Chicago Sun-Times* reports. Major donors from 2014 include big Democratic donor **Fred Eychaner** ($500,000 and $1 million) and the **Joyce Foundation** (between $250,000 and $500,000). Other donors disclosed by the Obama Foundation include hedge fund manager **Michael J. Sacks** and his wife, **Cari** ($250,001 to $500,000) and software entrepreneur/gay rights activist **Tim Gill** (amount not disclosed).

The **IRS**'s anticipated new regulations on political activity by nonprofit organizations—especially rules for 501(c)(4) "social welfare" groups that have multiplied in number—are unlikely to be unveiled before midyear. That means, says the left-wing journalism shop **ProPublica,** that they may not be in place in time to affect the 2016 election. Although IRS Commissioner **John Koskinen** said last June that the new rules would surface early in 2015, IRS spokeswoman **Julianne Breitbeil** now says the agency will miss that deadline. In late 2013 the agency proposed a crackdown on politicking by nonprofits but withdrew the plan under heavy fire from both conservative and liberal activists.

The *New York Times* is suddenly alarmed that a growing number of affluent art aficionados are opening small, private museums, some with strictly limited visitor access. A recent article by **Patricia Cohen** expresses concern that these institutions' founders "can deduct the full market value of any art, cash and stocks they donate, even when the museums are just a quick stroll from their living rooms." Nonprofit museums such as the **Brant Foundation Art Study Center** in Connecticut are situated near their founders' homes, host few exhibitions, are closed the bulk of the year, or allow visitors to tour their facilities only by prearranged appointment. **Rebecca Wilkins**, senior counsel at the **Institute on Taxation and Economic Policy**, said such museums "do not follow the intent, even if they follow the letter, of the law" on art gifts. "They feed into the idea that the system is rigged toward the wealthy."

After less than a year and a half in the post, **Bill, Hillary & Chelsea Clinton Foundation** CEO **Eric Braverman** has been forced out. The consultant, who previously worked at **McKinsey & Co**., "was struggling in recent months, according to multiple sources with knowledge of the foundation's internal workings," *Politico* reports. He has been replaced on an interim basis by "Maura Pally, a Hillary Clinton confidante who worked as a deputy assistant secretary during Clinton's time at the State Department." At the same time Pally was also named senior vice president for women and youth programs at the Clinton Foundation.

Catholic Charities USA has appointed the first woman to lead the church-run social services organization in its 105 years, the *Chronicle of Philanthropy* reports. Sister **Donna Markham**, a clinical psychologist and longtime Catholic Charities trustee, is president of the Ohio-based **Behavioral Health Institute for Mercy Health**. Markham, former prioress of the **Adrian Dominican Congregation** in Michigan, will take over on June 1, replacing the Rev. **Larry Snyder**, who has been running the agency since 2005.

Goldman Sachs WATCH

Goldman Sachs Group's effort to woo Banco Espirito Santo, a Portuguese bank, has failed, causing Goldman to reduce some employee bonuses, according to news reports. Goldman and some of its clients lent $835 million to the foreign bank last summer in hopes of helping it and Venezuela's state-owned oil company, but BES collapsed and the Portuguese government, forced to bail it out, says Goldman doesn't deserve full repayment.