

## The Goldman Sachs List: A New “New Class” Elite

By Neil Maghami

*Summary: A new class of very wealthy donors is changing the face of left-wing philanthropy, public policy and politics. Unlike the celebrated “new class” identified by neo-conservative Irving Kristol in the 1970s as an emerging intellectual elite, the “new hegemons” have the money to finance their agenda, and it comes from Wall Street.*

Over 30 years ago the writer Irving Kristol warned that a dangerous “New Class” elite had emerged in American society. Endowed with advanced degrees and professional status, members of the new class were concentrated in the liberal arts faculties of major universities, in the mainstream media and in publishing, and among higher level bureaucrats in the public sector and in the big grantmaking foundations. The new class disdained corporate profitmaking but endorsed corporate philanthropy. It had its own “adversary culture” of leftist artists, intellectuals and professionals who wanted to expand the welfare state and regulate the economy but favored loosening moral and social restrictions on personal behavior. Today, when some commentators look at the political appointees to the Obama administration they conclude that the New Class is well-entrenched in the highest levels of the federal government.

However, Kristol’s “new class” may be overtaken by a newer new class. Writer Joel Kotkin has observed that “Race may be the thing that most obviously distinguishes President Barack Obama from his predecessors, but his biggest impact may be in transforming the nature of class relations — and economic



Members of the new elite like to party: Goldman Sachs executive David Heller (second from left) with his wife Hermine (far left) at a 2008 benefit. Heller is Co-Head of the Goldman Sachs Global Securities Division. (photo: [www.panacheprivee.com](http://www.panacheprivee.com))

life — in the United States.” These words appear in a fascinating April 2009 commentary penned by Kotkin and posted to Politico.com. Entitled “Obama’s Collusive Capitalism,” Kotkin posits that what is occurring under Obama is a “changing of the guard among the American elite.”

### A New Leadership Class?

Kotkin, a professor at Chapman University in California, refers to the new ascendant group as the “new hegemons” (derived from the word *hegemony* or dominance). These are people who might at first be confused with the university professors and founda-

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tion bureaucrats identified by Kristol. Like them, they ridicule what they consider free market “theology” or “fundamentalism,” they support government fiscal stimulus and job creation, and they favor “greening” the economy by having the government punish fossil fuel production and subsidize alternative fuels. But Kotkin’s new hegemony is not the same group as Kristol’s “new class.” The difference is not merely one of terminology or changing times, nor is it based on differences in higher education or social status. It’s based on money. The new hegemony is wealthy beyond the wildest dreams of a liberal university professor.

The members of Kristol’s “new class” are not independently wealthy. When they criticize “the rich” or corporate America, they are speaking as persons of high educational achievement and low wealth. Kristol’s new class meritocracy needs tenured professorships, government jobs and foundation sinecures in order to write and speak and exercise influence.

But that’s not the case with the new hegemony. According to Kotkin, the new hegemony includes “not only financial barons but also powerful interests such as the burgeoning green industry, the high-tech/venture capital complex, urban landowners and, at least in

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the category of useful idiots, Hollywood and much of the media.” Kotkin notes that “the university and nonprofit research establishment” has been relegated back to a kind of intellectual auxiliary that serves the interests of the new super-rich.

Recent issues of Capital Research Center publications have looked closely at this new liberal elite. CRC has looked at George Soros, Herb and Marion Sandler and the other billionaire donors in the Democracy Alliance, the firm Goldman Sachs and Al Gore’s green investment pals. These are not storefront left-wing rabble-rousers but people who know how to use the power of government to advance their financial and political interests. They are sophisticated players who have learned how to combine profit-seeking, political lobbying and nonprofit activism to achieve their goals.

## **The Philanthropy of the New Rich**

Intrigued by Kotkin’s observations, this paper is an overview of the tax filings of the new philanthropic foundations created by some of the “financial barons” who belong to the new hegemony, or leadership class.

A previous issue of *Foundation Watch* (“In Goldman Sachs We Trust: How The Left’s Favorite Bank Influences Public Policy,” by Fred Lucas, October 2008) looked closely at charitable donations made by a tax-exempt foundation connected with Goldman Sachs, the powerful investment bank that became a commercial bank last year. This issue of *Foundation Watch* expands on that earlier study and highlights additional aspects of Goldman Sachs-related philanthropy.

We look at the philanthropy of a few of the no less than 185 foundations founded by persons who work or have worked at Goldman Sachs. Portfolio’s editors trace the creation of many of the foundations to the wealth created by the firm’s initial public offering in 1999. A list of these foundations appeared at Portfolio.com in late 2007. (The list is available at <http://www.portfolio.com/executives/features/2007/12/17/Goldman-Family-Foundations-List>.)

Portfolio.com estimated the total assets of these foundations at about \$1.3 billion at the end of 2007, and it estimated total contributions at \$122.9 million in 2007.

In many respects the philanthropy of these Goldman Sachs grantees is about what you would expect. Wealthy Manhattan investment bankers tend to support arts and cultural organizations, community and religious groups to which they have some affiliation, and the colleges they attended and fondly remember.

Moreover, the Goldman-linked foundations are not passive repositories of wealth. Attachments to many of their IRS Form 990 tax filings show extensive, multi-page listings of annual stock trading activity. While the creators of these foundations may enjoy distributing their wealth, they also seem to take great pleasure in finding ways to grow their foundation endowments by aggressive trading strategies.

However, it’s perhaps most noteworthy that Goldman-linked foundations often support nonprofit advocacy groups promoting left-wing public policies. Not for nothing did Kotkin perceptively hold up “the notorious currency speculator George Soros, a major backer of liberal groups in Washington” as the archetypical new hegemon.

## **Philip D. Murphy: Portrait of a New Hegemon Everyman**

Born in 1957, educated at Harvard and the Wharton School, and a long-time Goldman Sachs fixture, Philip D. Murphy may well represent a kind of hegemonic Everyman, the kind of very wealthy liberal philanthropist and activist who will rise to prominence in the years ahead.

We found Murphy’s biography on the website of the U.S. Soccer Federation, where he is listed as a member of a Federation committee attempting to bring World Cup matches to American stadiums. The committee also includes Dr. Henry Kissinger and retired Goldman Sachs partner Carlos A. Cordeiro. (See [http://www.ussoccer.com/common/stContent.jsp\\_180-20182022Committee.html#murphy](http://www.ussoccer.com/common/stContent.jsp_180-20182022Committee.html#murphy).)

What’s most interesting about the Soccer Federation biography is that it proudly begins by emphasizing Murphy’s service as Finance Chair for the Democratic National Committee followed by the boast that he cultivated “global client relationships” for Goldman Sachs during his 23-year career, including

work for “the firm’s global private wealth management business.” Murphy, who contributed \$627,000 to the Obama campaign, is expected to be named U.S. ambassador to Germany.

In 1995, Murphy created the Philip D. and Tammy S. Murphy Foundation (assets: \$17 million; income: \$7.1 million; total grants: \$1.1 million.) A review of the foundation’s latest tax return (2006-2007) reveals that the foundation generously gave the Soccer Federation \$50,000 and made substantial grants to health charities, arts groups, schools and religious charities. However, the foundation also made the following contributions to public interest and advocacy groups:

- \*\$305,000 to 180 Turning Lives Around, a social services nonprofit that receives federal grants and that spends \$80,000 annually on lobbying the Congress.
- \*\$200,000 to the Center for American Progress (CAP), the liberal think-tank headed by former Clinton chief of staff John Podesta.
- \*\$50,000 to Media Matters for America, the leftist media watchdog group.
- \*\$10,000 to the Natural Resources Defense Council, the environmentalist litigation group
- \*\$25,000 to the left-wing Institute for America’s Future (dedicated to forging an “enduring progressive majority”)
- \*\$10,000 to the Texas Democracy Foundation (a muckraking newspaper focused on attacking Republicans)
- \*\$10,000 to the Aspen Institute

Murphy is a former member of the CAP board of trustees. He formerly served on the NAACP President/CEO search committee and continues as a member of the NAACP Special Contribution Fund board of trustees.

Murphy’s various biographical statements don’t explain why he supports liberal causes. But he brings to nonprofit charities more than his foundation’s contributions. He brings the social contacts he built at Goldman Sachs and his access to the Democratic Party and its donors.

### Timothy J. and Linda D. O’Neill Foundation

Timothy O’Neill is a Co-Global Head of Investment Management at Goldman Sachs

Philip D. Murphy’s biography  
(from [www.ussoccer.com](http://www.ussoccer.com))

“Philip D. Murphy recently stepped down as the National Finance Chair of the Democratic National Committee after completing his term as an elected officer of the Party. Serving from May 2006 until January 2009, Murphy is proud of his role in the Party’s accomplishments – record fundraising, a revitalized national political infrastructure and the election of Barack Obama, Joe Biden and scores of Democrats across the country.

“Before his tenure with the DNC, Murphy enjoyed a 23-year career with The Goldman Sachs Group, Inc. During his tenure, Murphy developed some of the firm’s most important global client relationships, and helped set and execute the strategy in a variety of businesses. He also managed thousands of professionals and personally hired and mentored scores of individuals.

“Murphy joined Goldman Sachs in New York in the Investment Banking Division as a summer associate in 1982 and returned as a full-time associate in 1983. He became a general partner in 1992 and was asked to head the Frankfurt office with oversight responsibility for the firm’s activities in the German region.

“In 1996, Murphy became a managing director and a year later relocated to Asia where he served in Hong Kong as President and Managing Director of Goldman Sachs (Asia) L.L.C. from 1997 until 1999. Murphy returned to New York in 1999 to oversee the firm’s global private wealth management business... He became a senior director in late 2003 and remained with Goldman Sachs until May 2006.

“Murphy is a principal of Murphy Endeavors, LLC, the entity through which he manages his investment activities and his civic, community and philanthropic affairs. Family is the central endeavor.

“Among several new initiatives, Murphy is happy to be driving force in bringing women’s professional soccer to New Jersey/New York in 2009 as the principal owner of Sky Blue Soccer.

“Born in 1957, Murphy is a native of the Boston area and is a graduate of Harvard College (A.B., Economics, 1979) and The Wharton School (M.B.A., 1983)...”

and former senior strategy officer who is also a member of the board of trustees and the board’s investment committee at Georgetown University from which he graduated in 1977. The Timothy J. and Linda D. O’Neill Foundation donated \$825,000 to Georgetown in 2006-2007 and in 2006 it gave \$10 million to establish the O’Neill Institute for National and Global Health Law at Georgetown. One aspect of the Institute’s work is to encourage export of the kind of anti-tobacco legal strategies used by trial lawyers “to carry out litigation in low- and middle-income countries” against cigarette companies.

In 2005 O’Neill became a trustee of the Rockefeller Brothers Fund, the foundation set up in 1940 to make contributions from the family’s third generation, the five sons and daughter of John D. Rockefeller, Jr. With 2007 assets of \$983 million; income of \$113 million; and grants of \$28 million, the Fund’s motto is “Philanthropy for an Interdependent World.” It contributes to left-liberal nonprofits promoting international understanding, sustainable development, mutual dependency, the search for a common ground and other nostrums of global consciousness and world improvement.

The Huffington Post search engine for election contributions found that in 2007 O’Neill gave the maximum of \$4,600 to Hillary Clinton for president. Interestingly, contributors who listed Goldman Sachs as their employer gave \$1.9 million to candidates in 2007-2008: 234 people gave \$553,283 to Republicans while 501 people gave \$1,389,109 to Democrats. An updated search list found comparable results: 162 people who identified Goldman Sachs as their employer gave \$257,128 to Republicans while 383 people gave \$805,828 to Democrats.

### The Challenger Foundation

The principal trustee of the Challenger Foundation formerly known as the Corrigan Foundation (2007 assets \$19.6 million, income \$2.5 million, grants \$562,000) is E. Gerald Corrigan, co-chairman of Goldman Sachs’ Risk Management Committee and a former President of the Federal Reserve Bank of New York.

In 2006-07, the Challenger Foundation contributed:

- \*\$25,000 to the Group of Thirty (“established in 1978, [it] is a private, nonprofit, international body composed of very senior

representatives of the private and public sectors and academia”) which takes an interest in global economic policy. Members of the Group include Corrigan and Obama economic advisors Paul Volcker and Lawrence Summers.

\*\$25,000 to the Bretton Woods Committee (“created in 1983 at the suggestion of two former Treasury officials [who] saw the need for an organized effort to ensure that leading citizens spoke to Congress about the importance of funding the World Bank and [International Monetary Fund].”

\*\$50,000 to the Aspen Institute Program on the World Economy (“Begun in 1981, the Program on the World Economy has the ongoing goal of promoting sustainable economic growth...”)

\*\$10,000 to the Trilateral Commission (Founded in 1973, its goal is to “to foster closer cooperation among core democratic industrialized areas of the world with shared leadership responsibilities in the wider international system.” It claims membership of roughly 400 “distinguished leaders in business, media, academia, public service (excluding current national Cabinet Ministers), labor unions, and other non-governmental organizations.” (See [www.trilateral.org](http://www.trilateral.org)). Co-founder David Rockefeller is honorary chairman; the current European chairman, Peter Sutherland, is also chairman of Goldman Sachs International.

## **Eugene V. Fife Family Foundation**

Eugene V. Fife “enjoyed a 25-year career with Goldman Sachs, ascending the corporate ladder to become partner, member of the Management Committee, Senior Director, and Chairman of Goldman Sachs International,” according to biographical notes compiled by his alma mater, the University of Virginia. Fife is credited with “playing a pivotal role building the firm’s investment banking presence in the United States and establishing the firm in Europe and the Middle East.” Retired from Goldman in 1995, Fife later founded Vawter LLC, a private investment firm.

In 2007, the Eugene V. Fife Family Foundation (2007 assets: \$3.3 million; income: \$1.3 million; grants: \$1.4 million) is a major supporter of the University of Virginia’s nonpartisan Miller Center for Public Affairs

(\$550,000) but it also donated \$500,000 to Virginia Tech and \$125,000 to Duke University. Fife somehow got himself mixed up with the newly created Duke Islamic Studies Center (DISC), where he is listed as a member of the advisory board. DISC, which laments the prevalence of “misunderstandings between Muslim and non-Muslim nations,” is the kind of academic center whose director, Professor Bruce Lawrence, argues that *jihad* is not a term describing “holy war” against non-Muslims but instead refers to “controlling one’s anger.”

Fife is also chairman since 2003 of Eclipsys Corporation, a healthcare information software provider likely to benefit from the \$36.5 billion included in the Obama administration’s \$787 billion stimulus package. The money, avidly lobbied for by the industry’s trade group, is intended to create a nationwide network of electronic health records. The Washington Post reported (May 16) that the legislation, buried in the 407 page bill, “represented a triumph for an influential trade group whose members now stand to gain billions in taxpayer dollars.”

## **Environmental Giving**

Goldman Sachs alumni have a special philanthropic attraction to environmental causes. Keeping property out of productive use so wild landscapes can be enjoyed by the few who can reach them isn’t a new cause, of course—European royalty long kept pesky commoners off their private estates. But wealthy donors have found ways to use taxpayer dollars and public policy to secure property from private use.

The Nature Conservancy is a favorite charity for Goldman Sachs alumni. The Joan C. and David L. Henle Foundation donated \$500,000 to it in 2008; Henle retired from Goldman Sachs in April 2005. The Frederic B. and Anne G. Garonzik Foundation donated \$50,000 to the Nature Conservancy’s South Carolina chapter in 2007; the foundation is named after a retired Goldman Sachs advisory director. Joseph H. Gleberman, a Goldman Sachs managing director, had his Red Crane Foundation give \$350,000 to the Nature Conservancy in 2008.

The inspiration for all this giving is likely Henry Paulson, the former Goldman Sachs chairman and Treasury Secretary, who once

served as the Nature Conservancy’s board chairman and has been called the “environment’s own Warren Buffett.” More than two decades ago, Paulson set up the Bobolink Foundation. His wife Wendy and son Merritt Paulson are among its trustees. According to the Chronicle of Philanthropy, Paulson and his wife in 2006 “gave 510,000 shares of Goldman Sachs stock, worth approximately \$80 million, to the Bobolink Foundation” (2007 assets \$100 million, income \$7 million, contributions \$6.7 million). The Foundation’s largest gift was \$2 million to the Nature Conservancy.

Other gifts include \$100,000 for the African Wildlife Foundation, \$100,000 for the American Bird Conservancy, \$200,000 for Audubon Chicago, \$50,000 for the Earth Conservation Corps, \$25,000 for EarthJustice, \$100,000 for Environmental Defense, \$50,000 for the Land Trust Alliance, \$50,000 for Rails to Trails, \$100,000 for the World Wildlife Fund, and \$200,000 for the Peregrine Fund

Other environment-minded foundations include:

\* Joseph H. and Barbara I. Ellis Foundation; Ellis is a former Goldman Sachs partner: \$200,000 for the World Wildlife Fund; \$100,000 for the Wilderness Society; \$323,750 for the Rare Center for Tropical Conservation; \$10,000 for EarthJustice; \$100,000 for the Nature Conservancy.

\* Kadrovach/Duckworth Family Foundation; Connie Duckworth is a retired Goldman Sachs partner serving on the board of the Global Heritage Fund (GHF). The Foundation reported a 2007 donation of \$50,000 to GHF.

\* Lopatin Family Foundation, whose sole trustee is former Goldman Sachs partner Jonathan M. Lopatin. In 2007 it gave \$5,000 to the World Wildlife Fund; \$7,500 to Environmental Defense; \$5,000 to the Natural Resources Defense Council; \$5,000 to the World Resources Institute; and \$5,000 to the Wildlife Conservation Society.

\* Randolph L. Cowen and Phyllis Green Foundation gave \$20,000 to the Rainforest

Alliance in 2006. Cowen is a former chief administrative officer of the Goldman Sachs Group.

\* Harbor Lights Foundation gave \$10,000 to the Sierra Club Foundation in San Francisco in 2007. Its principal donor is retired Goldman Sachs partner J. Fred Weintz.

\* Frank L. and Sarah Miller Coulson Foundation donated \$5,000 to the radical People for the Ethical Treatment of Animals (PETA) in 2006, in addition to \$10,000 to NRDC and \$5,000 each to the National Abortion Rights Action League (NARAL), Planned Parenthood and the Sierra Club.

\* The Jon S. Corzine Foundation, founded by the New Jersey governor and former Goldman Sachs CEO gave \$100,000 to the Alliance for Climate Protection. It also made \$275,000 in gifts to the Nation Institute, an affiliate of the leftist magazine. Corzine was honorary co-chairman of the Institute's 2008 gala dinner.

## Feminist Groups

Eric Dobkin joined Goldman Sachs in 1967, became a partner in 1982, and has since retired. His family foundation, the Dobkin Family Foundation, apparently aims to be for feminist organizations what the Bobolink Foundation is for environmentalists. A review of its 2007 filings reveals gifts of:

\* \$970,000 to the Women's Funding Network, which works with 145 grantmakers. Wife Barbara Dobkin is a Network board member.

\* \$347,750 to the White House Project, promoting women's leadership in politics and business.

\* \$100,000 to the Women's Sports Foundation

\* \$27,960 to the Ms Foundation for Women - Gloria Awards (yes - they mean Gloria Steinem)

\* \$25,000 to the Ms Foundation for Women - "Democracy Funding"

\* \$50,000 to the Ms Foundation for Women in general support

\* \$25,000 to the Women's Edge Coalition, an international development advocacy group

\* \$15,000 to the Southwest Women's Law Center in Albuquerque.

## Tides Foundation

The Hermine and David Heller Foundation contributed \$100,000 to the leftwing Tides Foundation in 2008 and \$50,000 in late 2006 to what the foundation's tax filing describes as "Third Way Institute/Tides." Heller is Co-Head of the Goldman Sachs Global Securities Division, and a board member of Third Way, which calls itself "the leading think tank of the moderate wing of the progressive movement." Former Goldman Sachs partner Michael E. Novogratz is also on the Third Way board. The Tides Foundation often functions as a donor-advised fund, channeling money from donors to nonprofits.

## Market-Oriented Giving

We found a couple exceptions to Goldman Sachs's support for left-wing non-profits.

\* The Peter & Devon Briger Foundation donated \$1 million to the Acumen Fund, a self-described "non-profit global venture fund that uses entrepreneurial approaches to solve the problems of global poverty... through innovative, market-oriented" strategies. Former Goldman Sachs partner Peter Briger now works at Fortress Investment. Forbes ranked him as the 962nd richest person in the world in 2008.

\* The Novogratz-Caceres Family Foundation, funded by Goldman Sachs alumnus Michael Novogratz (who also works at Fortress Investments), also donated \$1 million to the Acumen Fund in 2008 (and \$50,000 to the leftist Tides Foundation).

\* The Lindmor Foundation, established by former Goldman Sachs managing director Arthur J. Reimers, donated \$100,000 to Carnegie Mellon University (CMU) in 2007 to honor his late father-in-law, William J. Happel. A fellowship will support work by CMU engineering students. Happel owned Pittsburgh's Power Control Corporation and held six industrial patents.

## Conclusion

High dollar philanthropy inevitably reflects the diverse interests and mixed motives of wealthy donors. Yet one wonders why individuals whose working lives center on Wall Street choose to contribute to nonprofit advocacy organizations not known either for works of charity or for respecting the economic system that generates their donors' wealth.

Terrence Scanlon, president of Capital Research Center, has said, "The best kind of American philanthropy benefits mankind in ways that transcend political and social agitation. The philanthropic community should guard against suggestions that it is obligated to give funding priority to leftist advocacy groups."

The individuals and foundations profiled in this report need to hear these words, and consider whether left-of-center non-profits ought to rank among those organizations deserving their support.

*Neil Maghami, a freelance writer, last wrote for Capital Research Center in the February 2007 edition of Foundation Watch ("The PBS Foundation: Soros Grantee Shields Public TV from Accountability").*

## FW

Please consider contributing early in this calendar year to the Capital Research Center.

We need your help in the current difficult economic climate to continue our important research.

Your contribution to advance our watchdog work is deeply appreciated.

Many thanks.

Terrence Scanlon  
President

# PhilanthropyNotes

The **Huffington Post Investigative Fund** is struggling, according to the Business Insider. **Arianna Huffington** unveiled plans for the foray of her left-leaning gossip website into investigative journalism in March, but so far she's having trouble finding writers and doesn't have much cash. The program's startup budget of \$1.75 million was supposed to be provided by the Huffington Post and the Bermuda-based Atlantic Philanthropies. That charity is headed by **Gara LaMarche**, who used to be a vice president of liberal uber-philanthropist **George Soros's Open Society Institute**.

Several of the world's wealthiest people met in New York City "to see how they can join together to do more," one attendee told ABC News. The list of attendees reportedly included **Bill Gates**, **Warren Buffett**, **David Rockefeller**, **Ted Turner**, **Oprah Winfrey**, New York City Mayor **Michael Bloomberg**, and George Soros. Collectively, the attendees have given more than \$70 billion to charity since 1996, the Chronicle of Philanthropy estimates.

**General Electric** CEO **Jeff Immelt**, who has presided over his company's decline in recent years, says the economy-killing cap-and-trade system of trading emission permits is the best way to crack down on carbon emissions. Immelt also seems to be using his company's media conglomerate **NBC Universal**, which owns media outlets **NBC**, **MSNBC** and **CNBC**, to promote GE's financial interest in regulating carbon. GE, which gives generously to liberal causes is also a major player in the **United States Climate Action Partnership** (USCAP), which Timothy P. Carney profiled in the June 2008 *Organization Trends*.

Dedicated to the 100 million victims of Communism worldwide, the **Victims of Communism Memorial Foundation's Global Museum of Communism** went online June 16. The virtual museum may be experienced at [www.globalmuseumoncommunism.org](http://www.globalmuseumoncommunism.org). The foundation's board is chaired by **Lee Edwards**, a Distinguished Fellow in Conservative Thought at the **Heritage Foundation**.

Members of the **U.S. Conference of Mayors** who support President Obama are furious that the president skipped the group's annual meeting in Providence, Rhode Island, the Politico reports. Not showing up sets "a very dangerous precedent," said Miami Mayor **Manny Diaz**, president of the left-leaning group. The Obama administration snubbed the mayors because it wanted to respect the picket line of a local firefighters union engaged in a labor dispute with the city.

The Supreme Court has agreed to hear a case brought by the **Competitive Enterprise Institute** (CEI) and the **Free Enterprise Fund** regarding the Public Company Accounting Oversight Board which was created by the Sarbanes-Oxley Act of 2002. The board has authority to set accounting standards, impose its own set of taxes, and open investigations of accounting firms big and small. Its board members are appointed by the Securities and Exchange Commission. CEI says the Constitution requires that members of the board be named by the president and vetted by the Senate, and that having the SEC make the appointments allows the president and Senate to avoid accountability.

## Goldman Sachs WATCH

Former Goldman Sachs partner Gary Gensler was confirmed by the Senate to chair the Commodity Futures Trading Commission. Various senators had criticized Gensler because he was deeply involved in Goldman's derivatives trading operations and some observers blame reckless derivatives transactions for the nation's financial problems. Gensler led the Obama transition team searching for a new Securities and Exchange Commission chairman.

As Goldman prepared to pay back \$10 billion of government bailout funds, CEO Lloyd Blankfein said he was sorry his company participated in the "market euphoria" that contributed to the collapse of the financial sector in 2008. "While we regret that we participated in the market euphoria and failed to raise a reasonable voice, we are proud of the way our firm managed the risk it assumed on behalf of our clients before and during the financial crisis," Blankfein wrote in letters to federal lawmakers.