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# BALDWIN AND CUMMINGS INTRODUCE LEGISLATION TO SLOW REVOLVING DOOR BETWEEN WALL STREET AND WASHINGTON

WASHINGTON, D.C. – U.S. Senator Tammy Baldwin (D-WI) and House Committee on Oversight and Government Reform Ranking Member Elijah Cummings (D-MD) today reintroduced the *Financial Services Conflict of Interest Act* to slow the revolving door between Wall Street and Washington, prohibit “golden parachute” bonus payouts, and combat conflicts of interest.

“President Trump promised to ‘drain the swamp,’ but this revolving door keeps spinning,” **said Senator Baldwin**. “When Wall Street insiders and corporate executives move through the revolving door from the private sector to public service, they should not be rewarded with golden parachutes simply for joining the Trump Administration. The people of Wisconsin cannot afford to have insiders in the pocket of powerful special interests writing the rules and making a rigged system in Washington worse.”

“Our bill is critical to ensuring that federal employees are working for the American people—not for Wall Street investors,” **said Cummings**. “President Trump’s administration is filled with Wall Street executives who are lining their pockets with hefty payouts from their previous employers. Congress must stop golden parachutes to maintain the trust and independence of the President’s nominees.”

Baldwin and Cummings first introduced the *Financial Services Conflict of Interest Act* in 2015. Concerns have long been raised on conflicts of interest for nominees, including the Obama Administration’s nomination of Antonio Weiss for U.S.

Department of the Treasury Under Secretary for Domestic Finance in 2014.

On October 22, 2016, then-candidate Trump said: “I've seen the system up-close-and-personal for many years. I've been a major part of it. I know how the game works in Washington and on Wall Street and I know how they've rigged the rules of the game against everyday Americans. The rules are rigged.”

Recently, many of President Trump’s nominees have been found to have troubling conflicts of interest and golden parachute payouts. Gary Cohn, President Trump’s choice for Director of the National Economic Council, will receive more than \$100 million—including \$35 million in stock awards and \$23 million in corporate shares—when moving from Goldman Sachs to the Trump Administration according to reports. Rex Tillerson, Trump's Secretary of State pick, is set to receive a nearly \$180 million payout deal from ExxonMobil, the oil giant he used to run.

These golden parachute payouts and bonuses would be illegal under the Baldwin-Cummings *Financial Services Conflict of Interest Act*.

To slow the revolving door and help ensure that conflicts of interest do not erode the effectiveness of financial regulators, the *Financial Services Conflict of Interest Act*.

- **Outlaws Bonuses for Government Work:** The legislation would prohibit government employees from accepting bonuses from their former private sector employers for entering government service.
- **Expands Cooling-Off Periods and Tightens Lobbying Rules:** The legislation would increase the prohibition on lobbying the federal government from one to two years and expands the definition of “lobbying contact” to include any lobbying activities and strategy. It also increases the current prohibition on federal examiners from accepting employment with any financial institutions they oversaw from one year to two years. It expands the prohibition to include supervisors, and it prohibits procurement officers in the federal government from working for companies that received contracts overseen by the procurement officers during their last two years in government service.

- **Reduces Conflicts of Interest:** The legislation would require senior financial service regulators to recuse themselves from any official actions that directly or substantially benefit the former employers or clients for whom they worked in the previous two years before joining federal service.

The *Financial Services Conflict of Interest Act* is supported by the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO), American Federation of State, County, and Municipal Employees (AFSCME), Americans for Financial Reform, Center for Effective Government, Common Cause, Consumer Action, Government Accountability Project, Greenpeace, Institute for Agriculture and Trade Policy, James A. Thurber, Public Citizen, RootStrikers, CREDO Action, and U.S. Public Interest Research Group (USPIRG).

Quotes in support of the legislation are available [here](#).

More information on the *Financial Services Conflict of Interest Act* is available [here](#).