

Curb Wall Street's influence in Washington

Even before the Citizens United decision in 2010, the pervasive role money plays in our politics has thrown our democracy into crisis. Nowhere is this more apparent than in the widespread purchasing of financial deregulation, and the powerful barriers to big bank accountability thrown up by elected leaders from both parties after the financial crisis.

There are a number of ways beyond the traditional scenario of lobbying and campaign contributions buying favorable laws for industry that Wall Street and the super rich defy democratic principles of fairness, equity, ethics, accountability, and respect for the rule of law. The revolving door between industry and government makes our agencies more susceptible to regulatory capture. Outrageous gerrymanders that “pack” and “crack” minority voters have become commonplace. Some states are passing laws that make it harder for voters, especially minority voters, to gain access to the ballot. And the recent midterm elections saw working voting machines being locked in warehouses and polling locations being reduced, leading to long travel times and lines at the polls.

Why shut the revolving door?

The financial industry's extraordinary influence in our regulatory system was among the leading causes of the last financial crisis. In many cases, regulators had ample authority to act but lacked the political will to enforce laws. The revolving door between industry and government makes our agencies more susceptible to regulatory capture: when a regulatory agency advances commercial or political interests of the sector it is charged with regulating, instead of acting in the public interest. This dynamic puts our economy at risk of future crises and consumers at risk of stepped-up abuse by big banks.

The easiest way to capture regulators is to get former executives appointed to senior agency positions. Companies take this one step further by awarding lavish bonuses to these executives, who are now regulating their former employers. Federal law prohibits the bonuses during government service, so companies award them weeks or even days before they assume the role. For example, ten days before National Economic Council Gary Cohn announced measures to gut financial reform, we learned that as a parting gift from Goldman Sachs he would be receiving more than \$100 million in bonuses and options that would otherwise have taken him years to access. Secretary of State Rex Tillerson's payout deal from ExxonMobil, which he used to run, amounted to nearly \$180 million.

Bills

For the People Act (H.R. 1)

This omnibus bill would restore voting rights to millions of Americans, crack down on dark money in elections (including from the big Wall Street banks), and enforce greater ethics in government including closing the revolving door between industry and Washington.

Executive Branch Conflict of Interest Act of 2019 (H.R. 599/S. 156, fmr. Financial Services Conflict of Interest Act)

Combats conflicts of interest by ending “golden parachute” payouts for executives who take positions in government, often regulating their former industry. Expanded to all industries and incorporated into H.R. 1, The For the People Act of 2019.

Let's build a financial system for
working families, White, Black & Brown,
not big Wall Street banks.

TakeOnWallStreet.org

