

August 25, 2015

Dear Secretary Clinton,

On behalf of our nine million supporters across the country, we are writing to request more information about your positions regarding the revolving door between Wall Street and the federal government.

When you were Secretary of State, two of your closest aides received compensation packages from Wall Street banks for entering public service. Specifically, Tom Nides, your Deputy Secretary, received a bonus from Morgan Stanley for entering government service, and Robert Hormats, one of your undersecretaries, benefitted from a similar arrangement with Goldman Sachs.¹

These types of “golden parachute” compensation packages are highly controversial, and for good reason. Corporations generally grant executives bonuses in order to attract and retain talented employees. Awarding outsized bonuses and gifts of equity to Wall Street executives who temporarily leave to go into public service is either a breach of a public corporation’s fiduciary duty to its stockholders, or a down payment on future services rendered. If the latter, it at best creates the appearance of corruption and conflict of interest. At worst, it results in undue and inappropriate corporate influence at the highest levels of government – in essence, a barely legal, backdoor form of bribery.

Golden parachutes for government service are rare in most industries, but common among senior government officials who were previously employed at Wall Street banks. Your aides were only two of many who have benefitted from this type of arrangement. Golden parachutes have become so common and corrosive to the public trust that it has become clear the next president should prohibit executive branch employees from receiving them altogether.

Two of your opponents – Senator Sanders and Governor O'Malley – have announced support for the "Financial Services Conflict of Interest Act," introduced by Senator Tammy Baldwin and Representative Elijah Cummings. This legislation would ban the golden parachutes that Wall Street firms have routinely given executives who enter government service, extend cooling off periods, tighten lobbying rules, and reduce conflicts of interest in government. To date, however, you have not articulated a position on this bill or on the larger question.

¹ David Dayen. “Two Big Reasons Hillary Clinton Isn’t Taking Elizabeth Warren’s Revolving Door Dare.” *The Intercept*. July 30, 2015.

We hope that you review this bill and give it your full public support. In addition, because two of your closest aides as Secretary of State received exactly this type of compensation package, we are hoping you can clarify your position on a few simple questions:

- 1) Do you still support the use of this controversial compensation practice?
- 2) If you become President, will you allow officials who enter your administration to receive this sort of bonus?

Thank you for your response.

Sincerely,

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