

# United States Senate

WASHINGTON, DC 20510

Gary Cohn  
Director, U.S. National Economic Council  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20006

Dear Mr. Cohn:

Last month, you officially entered government service as Director of President Trump's National Economic Council (NEC). But four days after President Trump was inaugurated, we learned that your shift to government service "is helping [you] unlock more than \$284 million in pent up bonuses, stock holdings and other investments through [Goldman Sachs], the Wall Street bank" where you worked for over 25 years.<sup>1</sup>

This is an astonishing windfall. It includes "\$65 million in cash to cover [your] potential future bonuses at the bank"<sup>2</sup> and "\$220 million of Goldman equity [you] already held or was awaiting, as well as stakes in company-run investment funds."<sup>3</sup> It is largely made possible by your move from Goldman to government service, which allowed the bank to "lift restrictions or accelerate delivery" on over \$100 million worth of stock and cash awards.<sup>4</sup> And it comes when "fortuitously" – for you – "stock in Goldman Sachs hovers near a record high."<sup>5</sup> And as an added bonus, you will be able to defer taxes on these payments as long as you invest these funds in certain mutual funds or government securities.<sup>6</sup>

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<sup>1</sup> Bloomberg, Goldman's Cohn Unlocks More Than \$284 Million by Joining Trump (Jan. 24, 2017) (<https://www.bloomberg.com/news/articles/2017-01-24/goldman-sachs-paid-ex-president-gary-cohn-20-million-for-2016/>).

<sup>2</sup> Wall Street Journal, Gary Cohn's Goldman Exit Tops \$100 Million (Jan. 25, 2017) (<http://www.wsj.com/articles/gary-cohns-goldman-exit-tops-100-million-1485300905>).

<sup>3</sup> Bloomberg, Goldman's Cohn Unlocks More Than \$284 Million by Joining Trump (Jan. 24, 2017) (<https://www.bloomberg.com/news/articles/2017-01-24/goldman-sachs-paid-ex-president-gary-cohn-20-million-for-2016>).

<sup>4</sup> Bloomberg, Goldman's Cohn Unlocks More Than \$284 Million by Joining Trump (Jan. 24, 2017) (<https://www.bloomberg.com/news/articles/2017-01-24/goldman-sachs-paid-ex-president-gary-cohn-20-million-for-2016>).

<sup>5</sup> Bloomberg, Goldman's Cohn Unlocks More Than \$284 Million by Joining Trump (Jan. 24, 2017) (<https://www.bloomberg.com/news/articles/2017-01-24/goldman-sachs-paid-ex-president-gary-cohn-20-million-for-2016>).

<sup>6</sup> Wall Street Journal, Trump's Nominees Stand to Reap Tens of Millions of Dollars in Potential Tax Deferrals (Dec. 13, 2016) (<http://www.wsj.com/articles/trumps-nominees-stand-to-reap-tens-of-millions-of-dollars-in-potential-tax-deferrals-1481669429>).

The NEC serves a key role in setting the nation's economic policies, "coordinat[ing] the economic policy-making process with respect to domestic and international economic issues ... [and] coordinat[ing] economic policy advice to the President."<sup>7</sup>

The NEC requires a leader who does not play favorites, but focuses on every aspect of the economy, and a leader who will pay as much attention to the needs of the middle-class workers that drive the U.S. economy as he or she will to the billionaires that sit at the top. It is difficult to imagine how you can play that role as you walk away from Goldman Sachs with a windfall of nearly \$300 million. And given Goldman's broad role in the U.S. economy, it may be impossible for you, as NEC Director, to recuse yourself from discussions and decisions on economic policies that might directly affect the bank.

You are a fabulously wealthy man by any measure, and you have earned this wealth as you have risen to the top of your industry. We do not begrudge you the salary and bonuses you have earned, and do not doubt that you will hew to the letter of the law with regard to potential conflicts of interest. But serving the public in the White House is a privilege, and it requires leaders who can guarantee that they will be impartial and free of even the appearance of any explicit or implicit bias towards key individuals and companies.

We urge you to think carefully about whether accepting this massive reward from Goldman Sachs will allow you to be an effective economic policy leader for all Americans. We also ask that you take three specific steps to mitigate the potential conflicts of interest related to this extraordinary payment from Goldman Sachs:

- 1) Typical recusal periods for conflicted government officials are one full year. In the case of certain "extraordinary payments" over \$10,000, they can be as long as two years.<sup>8</sup> The payment you received was worth almost \$300 million - orders of magnitude higher than the "extraordinary payment" threshold. We therefore ask that you recuse yourself from decisions related to Goldman Sachs for your entire term as NEC Director.
- 2) Typical recusals are narrow, relating only to decisions that directly impact the companies that present the conflict. In this case, we ask that you take a stronger step

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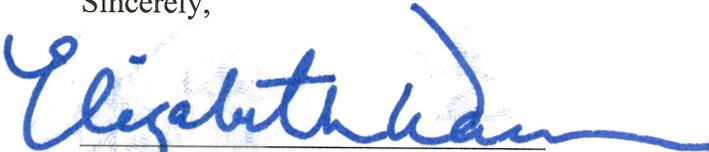
<sup>7</sup> Executive Order 12835, Establishment of the National Economic Council (Jan. 25, 1993) (<http://www.presidency.ucsb.edu/ws/?pid=61531>).

<sup>8</sup> According to OGE, if a former employer gave an employee an "extraordinary payment" in excess of \$10,000 prior to entering Federal service, it bars the employee from participating for two years in matters in which that former employer is a party or represents a party. But it is not even clear if the payment you received meet this standard because "routine severance payment[s] made under an established employee benefit plan" are not treated as extraordinary payments. Presidential Appointments Vetting Guide, Partnership for Public Service (June 2016).

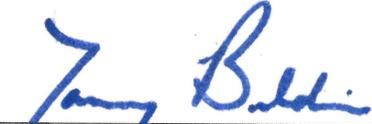
and recuse yourself from any decisions that may have a direct impact or have a significant indirect impact on Goldman Sachs.

- 3) We ask that you pay the full taxes that you would have paid on this windfall had you not entered government service, and that you not take advantage of any loopholes allowing you to escape immediate taxation on the windfall as a result of your government service.

Sincerely,



Senator Elizabeth Warren



Senator Tammy Baldwin

cc: Office of Government Ethics  
White House Counsel