

THE POLITICAL BRIBES DISGUISED AS “SPEAKING FEES”

Antony Blinken and Janet Yellen — Obama administration alumni selected by President elect-Joe Biden to lead the State and Treasury departments, respectively — each made over \$1 million dollars from corporate consulting and speaking fees over the past two years, according to financial disclosure forms made public on New Year’s Eve.

Yellen, who chaired the Federal Reserve under former President Barack Obama, [earned](#) (pdf) over \$7.2 million in speaking fees from Wall Street and major corporations. She disclosed payments from Bank of America, Barclays, Citadel, Citi, Credit Suisse, Goldman Sachs, Google, Magellan Financial Group, Salesforce, and UBS, among other entities including universities. More than \$1 million came from nine Citi speeches and she got over \$800,000 from Citadel, a hedge fund founded by a GOP donor.

Blinken, meanwhile, has been [paid](#) (pdf) nearly \$1.2 million by WestExec Advisors and is owed another \$250,000 to \$500,000 from the consulting firm he founded with other former Obama administration officials. He revealed that his clients have ranged from the investment management firm Blackstone as well as Bank of America and the Royal Bank of Canada, to tech giants such as Facebook and Microsoft, to the pharmaceutical company Gilead. Other clients include AT&T, Boeing, Sotheby’s, and Uber.

NEW: TONY BLINKEN's personal financial disclosure statement shows that he has been paid to consult for:



McKinsey



Facebook



Uber



Microsoft



LinkedIn



Boeing



Blackstone



Lazard



Royal Bank of Canada



SoftBank



AT&T



FedEx



Gilead



Sotheby's <https://t.co/7pWuOFavee>

— Kenneth P. Vogel (@kenvogel) [January 1, 2021](#)

“A Biden transition official said they filed the forms ‘mid-week’ before the Office of Government Ethics posted the forms late Thursday, New Year’s Eve,” [according to Politico](#), which reported on the disclosures early Friday. As *Politico* pointed out:

Blinken has entered into a term sheet to sell his stake in WestExec, which is valued at between \$500,000 and \$1 million, according to the disclosure. He also plans to divest his stake in WestExec Ventures, a sister venture capital firm, according to the filing. His stake in WestExec Ventures is valued at between \$1 million and \$5 million.

Avril Haines, Biden’s [pick](#) for director of national intelligence, was a principal and consultant at WestExec. She also [disclosed](#) (pdf) \$180,000 in consulting fees from Peter Thiel’s controversial data-mining firm Palantir. *The Intercept* [reported](#) in June 2020 that as Haines was being eyed for possible leadership posts in the former vice president’s administration, her consultant work for Palantir disappeared from her biography page at the Brookings Institute, where she was a nonresident senior fellow.

While Biden’s selections of the trio were met with [mixed reactions](#), the disclosures elevated concerns about potential conflicts and drew critiques from some progressives.

New year and a new revolving door between Wall Street and the incoming Biden administration.

Disclosures reveal Biden Treasury nominee Janet Yellen received millions from Wall Street in “speaking fees.”

This crap is why Washington doesn’t change. <https://t.co/b38JTdBDgr>

— Alex Morash (@AlexMorash) [January 1, 2021](#)

I see we are doing the speaker fee discourse again regarding Yellen, who took \$7+ million to give speeches to large banks.

Here is a novel angle on this. The HHS OIG recently declared that speaker fees paid by pharma companies to doctors are usually illegal kickbacks. pic.twitter.com/z1DrGjCkyw

— Matt Bruenig (@MattBruenig) [January 1, 2021](#)

Politico noted that Yellen has said she will go to the Treasury Department's ethics lawyers to "seek written authorization to participate personally and substantially in any particular matter" involving a firm she received compensation from in the prior year.

The disclosure also provoked defenses of the ex-Fed chair.

Sen. Ron Wyden (D-Ore.), a top member on the committee that will evaluate Biden's pick for treasury secretary, [told Reuters](#) that "Secretary-designate Yellen is one of the world's top economic minds, and her perspective on economic matters has been widely sought after since she left the Federal Reserve."

A Biden transition spokesperson [said](#) in a statement to *The Hill* that Yellen has given speeches "after several decades in public service" to discuss "her experiences and her views on what we can do as a country to build a stronger economy and increase our competitiveness."

"Her experience and expertise are the reasons President-elect Biden wanted her on his team working for him and on behalf of the American people to help us build back better from this economic crisis," the spokesperson added. "It's clear that leaders in academia, business, and economics were seeking informed, thoughtful insight on the economy during a chaotic time for the country when there were few trusted voices in government."

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The Revolving Door and the Appearance of Impropriety

Biden nominees Janet Yellen, Tony Blinken, and Avril Haines are under scrutiny for their financial disclosures.

[James Joyner](#)

he [POLITICO](#) headline "**Janet Yellen made millions in Wall Street, corporate speeches**" makes too specific a story that is all too generic. Indeed, the report itself points to that, although not until several paragraphs in.

In the past two years, President-elect Joe Biden's pick to be Treasury secretary, Janet Yellen, has raked in more than \$7.2 million in speaking fees from Wall Street and large corporations including Citi, Goldman Sachs, Google, City National Bank, UBS, Citadel LLC, Barclays, Credit Suisse, Salesforce and more.

Yellen's financial disclosure is one of three filed by the Biden team at the end of 2020 that could become politically problematic with the left wing of the Democratic Party when confirmation hearings begin in January. A Biden transition official said they filed the forms "mid-week" before the Office of Government Ethics posted the forms late Thursday, New Year's Eve.

Yellen, the former chair of the Federal Reserve, brought in nearly \$1 million giving nine speeches to Citi alone. She earned more than \$800,000 speaking to Citadel, a hedge fund founded by the Republican megadonor Ken Griffin. She also spoke to the law and lobbying firm Pillsbury Winthrop Shaw Pittman.

In addition to Yellen, Antony Blinken, Biden's nominee to be secretary of State, disclosed the clients he advised through WestExec Advisors, the consulting firm he co-founded with other Obama administration alumni. Those clients included the investment giant Blackstone, Bank of America, Facebook, Uber, McKinsey & Company, the Japanese conglomerate SoftBank, the pharmaceutical company Gilead, the investment bank Lazard, Boeing, AT&T, the Royal Bank of Canada, LinkedIn and the venerable Sotheby's auction house.

The disclosures cracked open WestExec's closely held client list, which the firm had previously refused to divulge. WestExec has paid Blinken nearly \$1.2 million over the past two years, according to the filing, with another estimated \$250,000 to \$500,000 owed for his work this year.

Blinken has entered into a term sheet to sell his stake in WestExec, which is valued at between \$500,000 and \$1 million, according to the disclosure. He also plans to divest his stake in WestExec Ventures, a sister venture capital firm, according to the filing. His stake in WestExec Ventures is valued at between \$1 million and \$5 million.

Biden's pick to be director of national intelligence, Avril Haines, was also a principal and consultant at WestExec. Haines reported \$180,000 in "consulting fees" from Palantir, a data-mining company that has had government contracts with agencies like U.S. Immigration and Customs Enforcement. The Silicon Valley-based company was founded by Peter Thiel, a prominent pro-Trump conservative in the tech world.

Haines' biography at the Brookings Institute, where she was a non-resident senior fellow, boasted of her Palantir work until this summer, when she began advising the Biden campaign, [The Intercept first reported](#).

Those are the most prominent examples but there are almost certainly more to be had. The bottom line, though, is that officials often cash in—sometimes big—on the connections and influence they gained in relatively low-paying government jobs, which then creates potential conflicts of interest if and when they go back into government.

Indeed, identifying potential conflicts is the whole point of the financial disclosure process and why so many of us were outraged when Trump administration officials failed to fully disclose their conflicts. To say nothing of the larger outrage of Trump and his family members cashing in while they were still holding offices of public trust.

While Yellen is highlighted here—for perfectly understandable reasons given the nature of running Treasury—she's in one way the least objectionable case. She was 72 when her term as Fed Chair ended two years ago and almost surely never expected to be back in government—both because of her age and because that post is almost always the culmination of a career. Regardless, she'll be in a position where she'll likely have to recuse herself from a whole lot of important decisions.

I'm not fully sure what to do about any of this. While I support measures such as those being proposed by Senator Elizabeth Warren to further limit financial transactions by serving officials that may trade on their insider knowledge or create conflicts of interest, it's trickier to limit how former officials can earn money. I don't love when the likes of Henry Kissinger or Condi Rice or Tony Blinken set up "consulting" businesses but it's already challenging enough to get our best and brightest into government service, given the relatively low pay, public scrutiny, and existing limitations. Should we really demand that they refrain from giving speeches? Or go into business in ways that leverage their expertise?

[WASHINGTON] President-elect Joe Biden's choice for Treasury secretary, Janet Yellen, collected more than US\$7 million in speaking fees over the past two years from major corporations and Wall Street banks that have a keen interest in the financial policies she will oversee after her expected confirmation to lead the Treasury Department.

Ms Yellen's paid speaking appearances - which included US\$992,000 from investment bank Citi for nine appearances - were among the lucrative payments from a range of Wall Street, Big Tech and corporate interests to three prominent prospective members of the incoming Biden administration.

The payments, revealed in disclosure statements covering the previous two years and released on New Year's Eve, have caused consternation among progressive activists concerned about the influence of special interests around Mr Biden, who they see as part of a Democratic establishment that has not sufficiently embraced liberal priorities.

Mr Biden's choice for secretary of state, Antony Blinken, was paid nearly US\$1.2 million by a consulting firm he helped found, WestExec Advisors, where he advised a range of corporations including Facebook, Boeing, private equity giant Blackstone and asset management company Lazard.

Mr Biden's choice for director of national intelligence, Avril Haines, was paid US\$180,000 to consult for data-mining company Palantir, which has raised liberal hackles for providing data and surveillance services to law enforcement, including the United States Immigration and Customs Enforcement.

Along with their disclosure statements, Ms Yellen, Mr Blinken and Ms Haines each filed ethics agreements pledging to avoid involvement in specific matters that could affect any holding they still own, or with which they had worked in the past year, unless they receive a written waiver from ethics officials.

The three may have to extend the conflict of interest window beyond a year if Mr Biden enacts an expected ethics policy barring officials in his administration from participating for two years in policies that could affect their former business interests.

David Segal, the executive director of the progressive group Demand Progress, said that he still had concerns even though the officials had pledged to abide by conflict of interest rules.

"There are almost too many corporate clients to count who have relationships to the respective ambits these designees would steward if confirmed," he said, adding that "this is an unfortunate circumstance", particularly as Mr Biden strives to strike a difference between his administration and President Donald Trump's.

NYTIMES