

Goldman Sachs

Goldman Sachs...the financiers that everyone loves to hate! It's an American multinational banking firm that engages in global investment banking, investment management, securities, and other financial services, primarily with institutional clients.

Goldman Sachs was founded in 1869 and is headquartered in New York City, with additional offices in other international financial centers. The firm provides asset management, mergers and acquisitions advice, prime brokerage, and underwriting services to its clients, which include corporations, governments, and individuals. The firm also engages in market making and private equity deals, and is a primary dealer in the U.S. Treasury security market.

Due to its involvement in subprime mortgages, Goldman Sachs was hit hard by the 2008 economic crisis, and was subsequently rescued as part of a massive U.S. government bailout.

Former Goldman executives who moved on to government positions include former U.S. Secretaries of the Treasury Robert Rubin and Henry Paulson; European Central Bank President Mario Draghi; and former Bank of Canada Governor and current Governor of the Bank of England Mark Carney. [*Fodder for lots of conspiracy theories!*]

Goldman has been harshly criticized, particularly in the aftermath of the 2007–2012 global financial crisis, where some alleged that it misled its investors and profited from the collapse of the mortgage market. That time — "one of the darkest chapters" in Goldman's history (according to the New York Times) — brought investigations from the Congress, the Justice Department, and a lawsuit from the SEC—to whom it agreed to pay \$550 million to settle. It was "excoriated by the press and the public" (according to journalists McLean and Nocera) -- this despite the non-retail nature of its business that would normally have kept it out of the public eye. Visibility and antagonism came from the \$12.9 billion Goldman received—more than any other firm—from AIG counterparty payments provided by the New York Federal Reserve bailout; the \$10 billion in TARP money it received from the government (though the firm paid this back to the government); and a record \$11.4 billion set aside for employee bonuses in the first half of 2009. While all the investment banks were scolded by congressional investigations, the company was subject to "a solo hearing in front of the Senate Permanent Subcommittee on Investigations" and a quite critical report. In a widely publicized story, Matt Taibbi in *Rolling Stone* characterized the firm as a "great vampire squid "sucking money instead of blood, allegedly engineering" every major market manipulation since the Great Depression...from tech stocks to high gas prices" Goldman Sachs has denied wrongdoing.

Goldman has also been accused of an assortment of other misdeeds, varying from a general decline in ethical standards, working with dictatorial regimes, cozy relationships with the US federal government, via a "revolving door" of former employees, insider trading by some of its traders, and driving up prices of commodities through futures speculation. Goldman has denied wrongdoing in these cases, *of course*. [https://en.wikipedia.org/wiki/Goldman_Sachs#Purchase_of_GE_Capital_Bank_.282015.29]

