Obama budget director goes to work for Citigroup

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President Obama's recently retired director of the Office of Management and Budget, Peter Orszag, has taken a top position with Citigroup, the third largest US bank with more than $2 trillion in consolidated assets.

Orszag has no experience in banking. He has been hired as a "political asset," his task to trade on his connections in the White House and Congress to advance the interests of Citigroup. Although his compensation has not been made public, analysts believe it will be at least in the range of $2 million to $3 million per year.

Orszag's job move underscores the total subservience of the US political system to the financial oligarchy, which not only funds both big business parties, but cycles its leading personnel in and out of the upper levels of the state.

Until June, Orszag was one of the top members of Obama's economic team, which was responsible for overseeing the bailout of the US finance industry to the tune of trillions of dollars.

The biggest single beneficiary of this bonanza was none other than Citigroup, which was on the verge of collapse in 2009. It received nearly $45 billion in Troubled Asset Relief Program (TARP) moneys, another $306 billion in TARP guarantees of its loans—far more than any other firm— and hundreds of billions more in various Federal Reserve Board lending schemes. Orszag's hiring, in a certain sense, simply formalizes a relationship that already existed.

Though brazen, such hires are so common that Orszag's move to Citigroup provoked scarcely a murmur in the media, whose talking heads are themselves often former political figures and are deeply tied to the financial elite (Orszag recently married Bianna Golodryga, economics correspondent for ABC News and co-host of its weekend morning news program, and he has himself worked as a *New York Times* columnist since retiring from the White House in June.)

Just last week, Citigroup hired another former cabinet member, Carlos Gutierrez, who served as commerce secretary to President George W. Bush. And in the White House, Orszag has been replaced by another Citigroup executive, Jacob J. Lew, as director of the Office of Management and the Budget.

Orszag is also following in the footsteps of his mentor and the man he worked under in the Clinton administration, former Treasury Secretary Robert Rubin, who 10 years ago left Washington behind for $10 million per year in pay from Citigroup (before entering the Clinton administration, Rubin had headed up investment bank Goldman Sachs). Rubin's 1990s deregulation of the finance markets, and in particular the derivatives market, set the stage for the financial crisis of 2008 and Citigroup's own near-collapse.

Orszag does not bother to claim noble motives for the job switch. According to unnamed acquaintances interviewed by the *Times*, he had "expressed an interest in becoming an investment banker and a desire to make money," and earlier "had put feelers out to several financial institutions to test the waters."

What tasks Orszag will do for Citigroup "are murky at best," according to the *Times*. "He is expected to draw on his deep knowledge of public sector financial issues and his experience overseeing the federal budget to counsel Citi's clients on various policy actions," the article states.

In other words, Orszag has been hired for his political connections, a central concern for the big investment firms. While Citigroup donated $1.12 million in the 2010 elections, down from $4.9 million in 2008, it has spent at least $10.2 million in federal lobbying over the

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past two years, according to data from Open Secrets.

The corollary to the bailout of Wall Street is the looting of the public treasury and the working class. Orszag has been deeply involved in both processes.

He is given credit for being the main intellectual force in the administration behind Obama's health care overhaul, which seeks to drive down health costs by rationing care, forcing millions to pay private firms for insurance, and driving millions more into the Medicare and Medicaid programs, which will be intentionally starved of funding.

Orszag has also been an outspoken advocate of gutting Social Security. He co-authored a book in 2004 called *Saving Social Security: A Balanced Approach*. In it, Orszag argued that the fundamental problem with Social Security is that life expectancy "has risen by four years for men and five years for women since 1940,…making benefits more valuable to recipients," but more costly. To address this, Orszag advocated a combination of payroll and "benefits adjustments"—i.e., cuts in Social Security payments to retirees.

In a September column for the *New York Times*, Orszag called for a two-year extension of the Bush-era tax cuts for the richest income earners, a position that is now set to pass into law. Now earning millions at Citigroup, he will personally benefit to the tune of tens of thousands per year.

In the same article, Orszag shamelessly reiterated his call for Social Security "reform," a 5 percent cut to discretionary social spending, a 6 percent value-added sales tax, and higher taxes on "middle-class and lower-class families," which he called "troubling" but "unavoidable."

Now hired for millions as a political fixer for Citigroup, Orszag will lobby his old colleagues in the White House for still deeper attacks on the working class.

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