

Obama crony joins Carlyle Group

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In a particularly crass example of the revolving door between high office in Washington and high finance, the outgoing chairman of the Federal Communications Commission, Julius Genachowski, has taken a top position with the multi-billion dollar Carlyle Group, the third-largest private equity firm in the United States.

At Carlyle Group, he will be a managing director at the US Buyout Fund, described as “the firm’s flagship investment pool” by the *Washington Post*, recently capitalized to the tune of \$13 billion.

Long the highest profile investment firm in Washington DC, recruiting former top government officials by the bushel-load for their national and international connections, Carlyle manages \$185 billion in assets on its own account and for 1,550 super-rich individuals and institutions.

The company said that Genachowski will focus on investments in global technology, media and telecommunications, the area that has been his focus throughout his career.

Genachowski takes the position for an undisclosed but undoubtedly multi-million dollar salary, within days of his friend Barack Obama’s launching a phony campaign against income inequality, purportedly to help the tens of millions who are either unemployed or working at the minimum wage.

The 51-year-old Genachowski has been a crony of Obama’s since they met at Harvard. The two men followed curiously similar career paths: both completed undergraduate work at Columbia University (Obama in 1983, Genachowski in 1985).

They took first jobs that gave them immediate high-level connections with the Democratic Party wing of the ruling elite. Obama worked at Business International, an international intelligence-gathering firm which has served as a cover for the CIA. Genachowski served as an aide to US Congressman Charles Schumer on the committee investigating the

Iran-Contra scandal.

Both men then went to Harvard Law School, meeting when they worked together on the Harvard Law Review in 1991. Obama attended Genachowski’s wedding to his first wife, television correspondent Martha Raddatz, that year, and Genachowski was a guest at the wedding of Barack and Michelle Obama a year later.

Genachowski personifies the shuttle between holding office in the agencies that nominally regulate an industry, and collecting seven-figure paychecks from that same industry. A Democrat, he was first hired at the FCC in the Clinton administration, serving as its chief counsel in 1996-97.

He went on to become general counsel and subsequently chief of business operations at IAC/InterActiveCorp, a holding company headed by Barry Diller, the media billionaire who once ran Paramount Pictures and Twentieth Century Fox, and started Fox Broadcasting. Genachowski helped develop Diller-owned properties like Expedia, Ticketmaster, Match.com and USA Network, and became a multimillionaire himself by 2003.

When Obama launched his presidential bid in the 2008 campaign, Genachowski headed the online fundraising effort and was rewarded with the nomination to head the FCC, which plays a major role in telecommunications and broadcasting. Among his most significant actions was to rubber-stamp the Comcast takeover of NBC Universal.

At the FCC, he took a particular interest in mobile telecommunications issues, which he now identifies, in comments about his joining Carlyle, as a hugely lucrative investment opportunity. “I’m bullish on mobile,” he enthused, “Mobile is going to get bigger and bigger.”

If nothing else, Genachowski’s enlistment at Carlyle demonstrates the phoniness of the Obama reelection

campaign in 2012, when it attacked Republican candidate Mitt Romney as a corporate raider for his role at the hedge fund Bain Capital. The piracy of Carlyle Group puts the Bain in the shade.

The private equity firm is notorious for its asset-stripping forays, generating an annual rate of return averaging 36 percent and taking over such companies as Hertz, Kinder Morgan, Freescale Semiconductor, Metaldyne, Nielsen Company, Booz Allen Hamilton, and Dunkin Brands. The companies it owns or control currently employ more than 650,000 people.



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