

Organisation being complained about:

**The Goldman Sachs Group, Inc.**

Organisations complaining:

LobbyControl, Corporate Europe Observatory, Friends of the Earth Europe

**Clause(s) you think has/have been breached:**

Primary clause D: ensure that, to the best of their knowledge, information which they provide upon registration and subsequently in the framework of their activities within the scope of the register is complete, up-to-date and not misleading;

Secondary clause B: not obtain or try to obtain information, or any decision, dishonestly, or by use of undue pressure or **inappropriate behaviour**;

**Which information do you think is incorrect and why?**

In its new register entry – the corporation has just registered on 24 November 2014 – Goldman Sachs declares "less than €50,000 " as "estimated costs to the organisation directly related to representing interests to EU institutions" in 2013. To the organisations complaining, this amount seems implausibly low for the following reasons:

1. A look at section I of the register – professional consultancies, law firms, self-employed consultants – shows two lobby firms indicating Goldman Sachs as their client in 2013. The first is Afore Consulting, declaring the investment bank paid €250,000 - €300,000 between July 2013 and June 2014 for their consultancy:

<http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=03013154889-05>.

The second, Kreab Gavin Anderson, declares Goldman Sachs as their client in 2013, generating a turnover between €200,000 and €250,000 for the consultancy firm:

<http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=1078390517-54>.

Consulting fees are very clearly an element that has to be included in the estimation of costs related to interest representation, as the registration guidelines show:

[http://ec.europa.eu/transparencyregister/info/openFile.do?fileName=guideline\\_en.pdf](http://ec.europa.eu/transparencyregister/info/openFile.do?fileName=guideline_en.pdf),

This leads to the conclusion that Goldman Sachs has failed to disclose a considerable amount of lobby expenditure, potentially amounting to several hundred thousand euros from the register and has therefore violated point D of the code of conduct.

2. The company declares four persons to be engaged in activities falling under the scope of the Transparency Register. Even if these persons only spend part of their working time on those activities, less than €50,000 does not seem sufficient to pay staff costs, traveling costs and administrative expense for four lobbyists working in London. This is even less credible if one looks

at the many files the Commission worked on in 2013 that are of great interest for an investment bank like Goldman Sachs. For comparison, Deutsche Bank

[http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=271912611231-](http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=271912611231-56)

56 reports that they lobbied on the following files in a similar period: MiFID, CRD, UCITS, PRIPS, MAD, EMIR, CSDR, FTT, Banking Union, Mortgage Credit, SEPA and Data Protection. There clearly was active lobbying from Goldman Sachs during 2013; a freedom of information request has shown that Goldman Sachs had four lobby meetings with DG MARKT in 2013:

<http://www.asktheeu.org/en/request/1266/response/5068/attach/html/2/Copy%20of%20CEO%20list%20meetings.xls.html>

3. In contrast to the low amount Goldman Sachs declares in the EU Transparency Register, in the US, which has a mandatory lobby register with very precise disclosure requirements, the bank reported spending \$3,630,000 on US lobbying in 2013. (Data from Open Secrets:

<http://www.opensecrets.org/lobby/clientsum.php?id=D0000000085&year=2013>). This is 58 times

more than it has reported in the EU, although there were many reasons for Goldman to lobby the EU institutions in 2013 as listed above. Other major banks such as BNP Paribas, Barclays and HSBC report EU lobby budgets that are up to 10 times higher than Goldman Sachs (data from lobbyfacts.eu), Deutsche Bank declares a lobby budget of (almost) €2,000,000

[http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=271912611231-](http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=271912611231-56)  
56.

Even LobbyControl reports to have spent €43,000 on activities carried out with the objective of influencing the policy formulation of the European institutions in 2013 – with one part-time position working from Cologne. A budget of less than €50,000 makes Goldman Sachs, one of world's biggest investment banks, only the 523rd biggest company spender on EU lobbying activities in the register (data from lobbyfacts: <http://lobbyfacts.eu/reports/expenditure/companies>, the list ranks companies according to their declared expenditure on lobbying activities in the most recent year for which they have provided figures).

In conclusion, point 1 provides clear proof that Goldman Sachs has violated the lobbyist code of conduct and it has failed to disclose an amount of possibly several hundred thousand euros. Points 2 and 3 indicate that the true lobby amount should be much higher.

For the complainants, the violation of clause D is our main concern. But we have a further anxiety that Goldman Sachs may only have joined the register in order to secure meetings with commissioners, hereby strongly underreporting their lobby budget; we thus will also refer to Clause B.

### **Where do you think the body has tried to obtain information, or any decision, by use of inappropriate behaviour?**

In recent years Goldman Sachs had meetings with the Commission, see for example:

<http://corporateeurope.org/financial-lobby/2012/09/what-was-discussed-during-commissioner-rehns-meetings-goldman-sachs-euro>. In 2013, there were at least four meetings with DG Markt:

<http://www.asktheeu.org/en/request/1266/response/5068/attach/html/2/Copy%20of%20CEO%20list>

[%20meetings.xls.html](#). However, Goldman Sachs did not join the register at this time.

New rules introduced by the Commission, which have been in force since 1 December 2014, make registration in the EU transparency register a condition to meet with commissioners. Goldman Sachs joined the register on 24 November 2014 and the bank had meetings with the Commission soon after, for example with Commissioner Malmström's cabinet on 17<sup>th</sup> December 2014:

<http://ec.europa.eu/transparencyinitiative/meetings/meeting.do?d-6679426-n=1&d-6679426-o=2&host=61aa8586-2b0d-4394-b196-30c13f1fa663&d-6679426-p=1&d-6679426-s=entity>,

and with a member of President Juncker's cabinet on 16 January 2015: <http://commission-today.palcu.ro/>

But as shown in the first part of this complaint, Goldman's register entry is far from correct. Our view is that Goldman Sachs has used an incorrect register entry to have access to the Commission and it has therefore violated not only point D (which is our main point) but potentially also point B of the code. In our view the bank has tried to obtain information or decisions (by meeting with the Commission) by inappropriate behaviour: by providing misleading information upon their registration.

With its new regulation – registration as a condition for meetings with commissioners – the Commission will have to deal with this problem of access to commissioners being based on potentially false lobby register entries. New registrations, including all those made since the Commission announced its new rule, should be consistently checked for accuracy and plausibility.