

American Federation of Labor and Congress of Industrial Organizations



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June 9, 2015

Sent via electronic mail: chairmanoffice@sec.gov

Ms. Mary Jo White
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Dear Chairman White:

On May 28th, the U.S. Securities and Exchange Commission announced the hiring of Andrew Donohue as Chief of Staff. As you know, Mr. Donohue previously served as an executive at Goldman Sachs. I am writing to request that Mr. Donohue immediately disclose if he will receive a golden parachute from Goldman Sachs for entering into government service, and if so, the dollar amount of these payments.

Goldman Sachs' Stock Incentive Plan contains a clause that permits the accelerated vesting of equity awards or an equivalent cash payment to executives who resign to enter government service. In other words, a government service "golden parachute." Although this provision is titled as a "Conflicted Employment" clause, the acceleration of unearned equity awards is not required by government ethics rules.

To our knowledge, government service golden parachutes are only common at Wall Street firms. At most other public companies, equity compensation awards vest over a period of time to compensate executives for their labor during the commensurate period. If an executive resigns or is terminated for good reason before the vesting period is satisfied, any unvested awards are usually forfeited.

Government service golden parachutes raise troubling public policy questions. As part of its investor protection mandate, the Securities and Exchange Commission regulates the conduct of Wall Street firms. The SEC also has a long history of a "revolving door" of employees between Wall Street firms and its own staff. Even the appearance of a conflict of interest is damaging to the public's trust in the SEC.

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The AFL-CIO has formally requested a copy of Mr. Donohue's public financial disclosure report for executive branch personnel. However, it is our understanding that Mr. Donohue has 30 days under agency rules to submit the required disclosure form. In our view, the public deserves to know the terms of Mr. Donohue's severance arrangements with Goldman Sachs.

For these reasons, we respectfully request that Mr. Donohue immediately disclose whether he is receiving a government service golden parachute from Goldman Sachs. Although we presume that Goldman Sachs does not expect to receive favorable treatment from Mr. Donohue, he will bolster public confidence in the SEC if he refuses to accept any payment that is conditional on his entering government service.

Sincerely,

A handwritten signature in black ink, appearing to read "HSC", is written over a light blue rectangular background.

Heather Slavkin Corzo, Director
Office of Investment

HSC/sdw
opeiu #2, afl-cio