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Finance Panel Accuses Goldman of Stalling

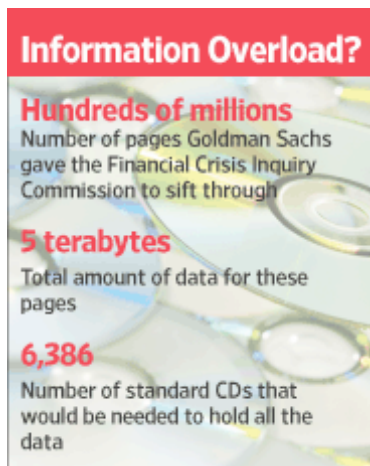
By JOHN D. MCKINNON And SUSANNE CRAIG

WASHINGTON—A commission probing the financial crisis denounced [Goldman Sachs Group Inc.](#), saying the firm first dragged its feet over requests for information then dumped hundreds of millions of pages of documents on the panel.

The Financial Crisis Inquiry Commission issued a subpoena to Goldman, demanding that the firm provide a key for identifying customer names and a way of matching up specific documents to the commission's requests for information. The subpoena also demanded documents concerning Goldman's mortgage-backed derivative securities, which are central in current federal probes of the firm.

The commission is particularly interested in Goldman's dealings with American International Group Inc., which had to be bailed out by the government during the financial crisis in 2008. The subpoena demanded interviews with a number of executives, including Chief Executive Lloyd Blankfein, as well as the executive who's most knowledgeable about "transactions between AIG and Goldman," the FCIC said.

A Goldman spokesman said, "We have been and continue to be committed to providing the FCIC with the information they have requested."



Information Overload?

- Hundreds of millions**
Number of pages Goldman Sachs gave the Financial Crisis Inquiry Commission to sift through
- 5 terabytes**
Total amount of data for these pages
- 6,386**
Number of standard CDs that would be needed to hold all the data

TK

Any revelations unearthed by the commission could pose public-relations and legal risks for Goldman as it fends off federal investigations and private litigation. The commission is asking for audio tapes of internal discussions at Goldman, a type of disclosure that hasn't previously figured in the firm's public battles, according to people familiar with the situation.

The battle with the commission represents another Washington stumble for Goldman. The firm was sued by the Securities and Exchange Commission in April over one of its subprime-mortgage securities, and endured a public thrashing by the Senate Permanent Subcommittee on Investigations over other deals where lawmakers said the firm unfairly profited at the expense of its customers. Goldman said it did nothing wrong.

Commission chairman Phil Angelides, the former California state treasurer, termed Goldman's response

to document requests "a very deliberate effort to run out the clock." The 10-member panel, formed by Congress last year, has a December deadline to submit its final report. "We should not be forced to play 'Where's Waldo' on behalf of the American people," said Mr. Angelides, referring to the children's books.

Vice chairman Bill Thomas, a former Republican House member, termed the firm's conduct "deliberate obfuscation," adding, "They may have more to cover up than maybe we thought."

A timeline released by the commission late Monday showed that the FCIC began asking for documents and other information in late January. But it received only incomplete or inadequate responses, along with repeated requests for delays, the timeline said. Among other items, the FCIC is seeking more information about the ABACUS transactions that figured in the SEC's fraud lawsuit against Goldman. Many of the commission inquiries appear to be in preparation for a coming FCIC hearing on derivatives, at which Goldman executives could testify.

AIG effectively wrote insurance on many Wall Street mortgage deals that later soured. Goldman has disclosed receiving roughly \$14 billion from AIG in such deals, representing virtually full payment on AIG's obligations. Goldman said it didn't retain much of the money, using it instead to meet similar obligations to other clients of the firm.

The commission also has asked Goldman about its sale of subprime derivative securities that later plunged in value. Goldman traders made side bets against some of these same securities. Goldman executives have emphasized the firm's status as a market maker that has minimal obligations to look after its customers' interests.

In response to the commission's inquiries, Goldman insiders say the firm has provided more than 20 million documents to the committee.

Commission officials said Goldman delayed responding to their requests for months. Within the past three weeks, the firm provided the commission a mass of material totaling about five terabytes, officials said, or hundreds of millions of pages.

"We did not ask them to pull up a dump truck to our offices and dump a bunch of rubbish," Mr. Angelides said.

—Serena Ng contributed to this article.

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