

March 2, 2010

Ryan Grim and Shahien Nasiripour
ryan@huffingtonpost.com | HuffPost
Reporting

Top Treasury Official Leaves For Lobbying Firm

First Posted: 03- 1-10 03:16 PM | Updated: 03- 1-10 04:04 PM



Print

What's Your Reaction?

Just as Congress enters the final stretch of the financial regulatory reform effort, one of the Treasury Department's leading liaisons to the Hill, Damon Munchus, is bailing out to go work for a financial services lobbying and consulting firm.

Munchus was one of Treasury's chief negotiators with the House Financial Services Committee.

"This is not a mid-season trade in the NBA, where players just change jerseys and play the same way," said Rep. Brad Miller (D-N.C.), a member of the committee. "There should be at least some kind of cooling off period."

When he joined the Obama administration, Munchus -- like all other appointees -- signed an agreement not to lobby the administration for two years after leaving the government.

But the pledge says nothing about lobbying Congress, which is absolutely part of what Munchus will do for his new employer, The Cypress Group.

"Damon Munchus signed the Obama Administration's ethics pledge, and he is committed to fulfilling it," said Ben Dupuy, a partner at Cypress.

Cypress is a five-year-old firm that specializes in telling banks and other investors what Treasury is up to and how they can best use that information to cash in. At the same time, a Cypress division is registered as a lobbyist on bank issues -- a kind of dual role that leaves it simultaneously telling clients how to exploit Treasury regulations and market-interventions, while lobbying for or against those regulations and interventions. It also does its own investing.

Story continues below ↓

Munchus worked in the Office of Legislative Affairs, which deals directly with the Hill. His position as Deputy Assistant Secretary for Banking and Finance gave him intimate knowledge not just of the process but of key lawmakers -- what they privately support

what they secretly need; what they detest; and what makes them tick.

That's invaluable information to investors. Munchus couldn't be reached for comment.

The ability of Wall Street to lure staffers into high-paying lobbying and consulting jobs has a corrosive effect on the legislative process, as staffers start doing the banks' bidding even before a payday, in the hopes of getting one someday. Moves like Munchus's only increase that incentive.

"You've got to wonder how much of a fight administration lobbyists are putting up against people they see as their future employers," Miller said.

The Cypress Group lobbies on behalf some of the very firms Munchus dealt with at Treasury, including Citigroup, which is partly owned by taxpayers; some of the regional Federal Home Loan Banks; Wells Fargo; U.S. Bank; taxpayer-owned Freddie Mac; the biggest bank in the country, Bank of America; credit card giant Capital One; and the International Swaps and Derivatives Association, a trade group representing derivatives dealers and traders.

The firm has lobbied federal agencies and Congress on tax issues, bank regulation and taxpayers' bailout of Wall Street, among other topics. Its lobbying efforts have netted the firm nearly \$5.5 million since 2005, according to an analysis by the Center for Responsive Politics.

With the acquisition of Munchus, Cypress can now boast to employ high-level officials from four straight Treasury Secretaries.

Cypress advises hedge funds, private equity firms, and venture capitalists. According to the firm's website, Cypress also has helped clients buy bank assets, a booming business given the nearly 200 banks that have failed over the past two years. "We facilitate meetings with key officials in Congress, federal agencies, and state governments, tailoring our message and tactics for each relationship and encounter," the firm says.

READ the firm's news release announcing the move:

For Immediate Release Contact: Ben Dupuy, (202) 337-1661,
ben@cypressgroupdc.com

March 1, 2010

Advisors to Geithner, Paulson Join The Cypress Group; Open New York,
Dallas Offices

(Washington, D.C.) -- One of the first senior-level officials to leave the Obama Treasury Department is headed to The Cypress Group, a financial services lobbying and consulting firm based in Washington, D.C. Damon Munchus, who served as the Deputy Assistant Secretary for Banking and Finance in Treasury's Office of Legislative Affairs, will open the firm's New York office as a Managing Director. The Cypress Group will also open an office in Dallas headed by Managing Director Jeb Mason, who served as the as Deputy Assistant Secretary for Business Affairs under Secretary Henry M. Paulson Jr. With these additions, The Cypress Group now employs former senior-level advisors to the past three Secretaries of the Treasury as well as Secretary Geithner.

At the Treasury Department, Mr. Munchus'[s] responsibilities included acting as principal liaison between the U.S. Congress and Treasury regarding financial institutions and capital markets, counseling senior Treasury officials on all pending financial matters, and creating and directing legislative strategy in order to achieve the Administration's goals before Congress. Prior to his Treasury Department position, Mr. Munchus served as a member of President Obama's FDIC Review Transition Team, a Vice President within the Investment Banking Division of Jefferies and Co., and a senior financial

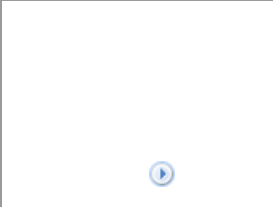
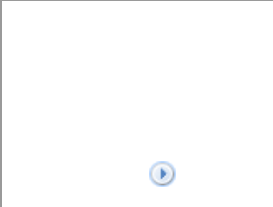
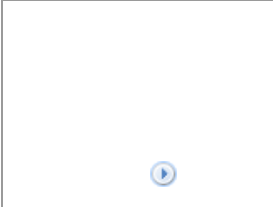
analyst for credit portfolio strategies at Fannie Mae.

Mr. Mason, who served as Policy Advisor to Secretary Paulson, was awarded the Distinguished Service Medal by the Secretary for his contributions during the financial crisis. Prior to joining Treasury, Mr. Mason served the White House as Associate Director for Strategic Initiatives, advising senior White House staff and Cabinet officials on a myriad of issues including tax, budget, economic, and international issues.

Cypress Advisory, a division of The Cypress Group, is a boutique consulting and research firm based in Washington, D.C., with offices in New York and Dallas. Cypress Advisory provides institutional investment managers with actionable intelligence and analysis of political processes with outcome-specific probability and immediate market relevance. Cypress Advisory's team of professionals has distinct edge in their research and views of legislative and regulatory changes affecting capital markets, financial services, and special situations.

Cypress Advocacy, a division of The Cypress Group, is a boutique lobbying firm based in Washington, D.C., with offices in Baton Rouge. Cypress Advocacy provides a premium, bespoke service that delivers insightful, client-tailored representation. Cypress Advocacy's team of professionals has deep ties to the policymaking and advocacy communities offer a distinct edge in effectively representing clients' interests to the appropriate policymakers

Get HuffPost Business On Twitter, Facebook, and Google Buzz! Know something we don't? E-mail us at huffpostbiz@gmail.com

Videos	Web	Images
 <p>NBC Late Night with Conan O'Brien - Lobbyist for Lobbyists (10/10/08)</p>	 <p>Hulu on MSN In The Know: Are Politicians Failing Our Lobbyists?</p>	 <p>ABC News Lobbyists Line Up for Health Reform</p>

[Report Corrections](#)

More in Business...

Page: [1](#) [2](#) [3](#) [4](#) [5](#) [6](#) [7](#) [8](#) [Next >](#) [Last >>](#) (14 pages total)

Page: [1](#) [2](#) [3](#) [4](#) [5](#) [6](#) [7](#) [8](#) [Next >](#) [Last >>](#) (14 pages total)