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At Treasury, Geithner Struggles to Escape a Past He Never Had

By JACKIE CALMES

WASHINGTON — [Timothy F. Geithner](#) has been misidentified as a former Wall Street insider from [Goldman Sachs](#) so many times since he became the [Treasury](#) secretary that he and his advisers had taken to joking about it. Then the joke backfired.

Earlier this month, Mr. Geithner had breakfast in Manhattan with Mayor [Michael R. Bloomberg](#) and Robert Steel, a deputy mayor and former Treasury official in the Bush administration who had previously worked at Goldman. Facetiously, a Geithner aide said Mr. Steel and Mr. Geithner knew each other from the investment bank.

Later that day at a public event, the mayor in all seriousness referred to Mr. Steel and Mr. Geithner, and added, "They both worked at Goldman."

Oops.

Just as the Geithner aide's humor fell flat, likewise newspaper corrections, Mr. Geithner's objections to TV news interviewers and his staff's work to spread the boss's résumé have failed to dispel the belief that Mr. Geithner is a former Wall Street banker, or more specifically, a Goldman guy.

That perception over the last 20 months has united liberal and conservative critics but reflects a broader antagonism against the government bailouts for which Mr. Geithner has been a frontline architect.

With many Americans viewing those policies as benefiting only Wall Street, its rich chief executives and Goldman in particular, the belief that Mr. Geithner came from the firm — as his predecessor in the Bush administration did — has easily taken root, further undermining support for those policies.

So perhaps it is good for the Geithner image that he is **President Obama's** point man in opposing the extension of the Bush tax cuts for the wealthy after their Dec. 31 expiration. White House aides at times have urged Mr. Geithner to take more populist stands and he has balked — on capping **executive pay**, for example. But advisers say he is comfortable opposing the tax cuts for reasons that have nothing to do with separating himself from the real Wall Street types.

In speeches and interviews, he has cited the projected \$700 billion, 10-year cost of the tax cuts, and nonpartisan analyses that they do not stimulate the economy because the wealthy tend to save the additional money rather than spend it.

“I believe there is no credible argument to be made that the purpose of government is to borrow from future generations of Americans to finance an extension of tax cuts for the top 2 percent,” Mr. Geithner said in a recent speech.

Treasury advisers say the mislabeling of Mr. Geithner began before he took office, with a column in The Washington Post before the presidential inauguration that referred to him as “a Goldman Sachs alum.”

The columnist, Al Kamen, wrote this the next day: “The folks at Goldman Sachs called to note an error in yesterday’s column. Treasury Secretary-designate Timothy F. Geithner has not worked at the investment bank. Our apologies to Goldman Sachs — and to Geithner.”

Except for his first three years out of graduate school, when Mr. Geithner was a researcher for the

global consulting firm founded by [Henry A. Kissinger](#), the former secretary of state, he has worked at governmental agencies and mostly at Treasury.

Mr. Geithner, who turned 49 on Wednesday, began as a lower-level civil servant late in the Reagan administration and left 12 years later as under secretary for international finance at the end of the Clinton administration.

He went to the [International Monetary Fund](#) for two years. In late 2003, he became president of the [Federal Reserve Bank of New York](#), part of the [Federal Reserve System](#) — picked by a board that includes the heads of some of the big banks that the New York Fed regulates.

Administration officials and others close to Mr. Geithner say it most likely was the Fed job that gave rise to the sense that he hails from Wall Street, along with the fact that his mentor at the Clinton Treasury, former Secretary [Robert E. Rubin](#), previously headed Goldman Sachs.

As the New York Fed president, Mr. Geithner in 2008 became prominent as part of the triumvirate with the Federal Reserve chairman, [Ben S. Bernanke](#), and Treasury Secretary [Henry M. Paulson Jr.](#) — a former chief executive of Goldman Sachs — that engineered the government's bailout of the financial system.

“He was always being pictured with these guys and it looked like he was part of their retinue,” said Peter D. Hart, a Democratic pollster who monitors Americans' attitudes toward public officials.

“I think at this stage he has established his own credentials,” Mr. Hart said, but initially “it probably made a lot more difference” — and not in a good way.

After some controversies in his first months as secretary, including one over bonuses at [American International Group](#), Mr. Geithner by the spring 2009 was hearing some critics' calls for his head. At this point, he came to epitomize an Obama economic team that many viewed as too close to Wall Street.

At a hearing in April 2009 of the panel Congress created to monitor the financial bailout program, Damon A. Silvers, a labor lawyer and panel member, remarked to Mr. Geithner, “You have been in banking.”

Mr. Geithner interrupted: “I have never actually been in banking. I have only been in public service.”

His questioner persisted: “Well, a long time ago. A long time.”

“Actually, never,” Mr. Geithner replied.

“Investment banking, I meant.”

“Never investment banking.”

“Well, all right,” the questioner conceded. “Very well then.”

The confusion grew so widespread that Mr. Geithner himself has privately told others of a dinner where the wife of the White House chief of staff, [Rahm Emanuel](#), remarked that Mr. Geithner must look forward to returning to Goldman.

For an August 2009 Wall Street Journal webcast interview, Mr. Geithner took questions submitted by online readers. Since “you were/are a part of” Goldman, one questioner wrote, was it not “a textbook example of political corruption” that as Treasury secretary Mr. Geithner now funneled money to the bank to benefit himself “and your old buddies.”

Mr. Geithner, smiling wanly, said he had never worked for Goldman nor did he own stock. As for Goldman’s government money, he said the bank had repaid taxpayers with a return exceeding 20 percent.

Nine months later, it was the turn of the [CBS](#) newsman Harry Smith. “People look at you and they say, ‘There’s a Goldman Sachs guy who’s running the Treasury Department,’” Mr. Smith began.

Mr. Geithner cut in, not for the first time or the last, “Let me just stop you there.”



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