

PRESS RELEASE

Mr. Brown goes to Washington... Again

January 01, 2011

Gary Brown could hardly believe his ears. Brown was sitting behind the senators in Room 106 of the Dirksen Senate Office Building in Washington, D.C., on April 27, 2010, when Goldman Sachs Chief Financial Officer David Viniar was testifying before the Senate's Permanent Subcommittee on Investigations (PSI). Brown, who was serving as a special legal advisor to PSI, sat through the entire 11-hour televised hearing, which focused on Goldman Sachs' conduct as it related to the recent financial crisis. Senator Carl Levin (D-Michigan), a hard-nosed former prosecutor and PSI's chair, was grilling Viniar about emails in which Goldman Sachs employees had referred to mortgage-backed securities the firm had sold its customers as a "sh---y deal" and a "piece of c-p." After repeating the unflattering adjectives several times for effect and noting that the firm of Goldman Sachs was "on the short side, betting against" these securities while at the same time selling them to customers, Levin finally asked the visibly uncomfortable Viniar, "when you hear that your employees, looking at these deals, said, 'God, what a sh---y deal'...do you feel anything?" Viniar replied, "I think that's very unfortunate to have on email." The packed hearing room erupted in shocked laughter. Brown recalls shaking his head in astonishment.

Brown is a nationally known expert in securities law, and he spent three months last spring working as a legal consultant supporting PSI's investigation of the causes of the financial crisis. This was his third stint in Washington helping the Senate unravel a complex financial boondoggle and propose reforms designed to prevent a recurrence. In 2006, Brown provided Congressional testimony on offshore tax havens and tax shelters and how they were used to circumvent U.S. securities laws. And in the wake of the 2001 collapse of Enron Corporation, Brown spent most of 2002 working in Washington as Special Counsel (Minority) to the Senate's Committee on Homeland Security and Governmental Affairs and PSI in their investigations, providing advice on what ultimately became the Sarbanes-Oxley Act.

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