

In Latest Populist Betrayal, Trump Executive Order Unchains Wall Street Greed

Orders signed Friday are 'nothing more than special favors for the same Wall Street banks that crashed our economy in 2008 and put millions of Americans out of work'

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In yet another Wall Street giveaway, President Donald Trump on Friday afternoon [took executive action](#) to chip away at Dodd-Frank financial regulations and roll back rules aimed at reducing corporate tax avoidance.

Lisa Gilbert, vice president of legislative affairs for watchdog group Public Citizen, [described](#) the orders signed Friday at the Treasury Department as “nothing more than special favors for the same Wall Street banks that crashed our economy in 2008 and put millions of Americans out of work.”

[According to](#) ABC News, Trump signed “two presidential memoranda on the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, which former President [Barack] Obama signed in response to the 2007-2008 financial crisis.” They order two six-month reviews of what the *Los Angeles Times* [called](#) “pillars” of Dodd-Frank: the Orderly Liquidation Authority and the Financial Stability Oversight Council.

The first was established

“to create a process for winding down a large, failing financial company in a way that protects taxpayers from large bailouts such as the ones paid out in the aftermath of the 2008 financial crisis,” as the Washington Post [explains](#). The second “called on federal regulators to identify which financial institutions were large enough to merit enhanced regulation, as their collapse could destabilize the economy as a whole,” according to the Post.

“Republican Treasury Secretary Hank Paulson conceived the Financial Stability Oversight Council as a forum for catching financial risks that fall through the cracks between the various regulatory agencies,” said Public Citizen financial policy advocate Bartlett Naylor on Friday. “The biggest bailout in the financial crash went to insurance firm AIG, which fell through one such crack. An executive order that questions this oversight can signal to firms intent on high-risk financial ventures that playtime is back.”

Trump previously [signed an order](#) directing a roll-back of Dodd-Frank overall.

Trump also signed an executive order directing Treasury Secretary Steven Mnuchin to review “all significant 2016 tax regulations to determine if they impose an undue financial

burden on taxpayers, are needlessly complex, create unnecessary requirements, or exceed what's allowed under law.”

Mnuchin [told](#) journalists on Friday that rules enacted by Obama's Treasury Department, meant to reduce corporate tax avoidance specifically through the process of tax inversions, would be among those targeted under Trump's order.

Trump [decried](#) such tactics on the 2016 campaign trail, [saying](#) companies that employed inversions “have no loyalty to this country.”

“That's why it's so shocking to see him order this review, which could lead to a rollback of rules that would have sharply decreased incentives—and limited the ability of companies—to game the system by using inversions to permanently avoid a U.S. tax bill,” said Susan Harley, deputy director of Public Citizen's Congress Watch division.

Chye-Ching Huang of the Center on Budget and Policy Priorities [added](#):

“During his campaign, President Trump...[said](#) that inverting companies ‘have no loyalty to this country...And we have to do something.’ If the new executive order ultimately leads to rolling back the Obama administration's anti-inversion regulations, President Trump will effectively be cutting taxes for profitable multinational tax avoiders and also creating a bigger incentive and opportunity for the inversions that he has so strongly criticized.”

In its report on Friday's signings, Vox [said](#) the set of actions was

“a clear flashing light that the notion of a Trump-era GOP as an economically populist ‘workers’ party’ is dead, and business interests rule the roost.”

And a dangerous one, at that. Lisa Donner, executive director of Americans for Financial Reform, [told](#) the *New York Times*:

“From our perspective, it is a direction that is dramatically backwards on financial stability.”

Following the ceremony, Trump [announced](#) there would be a “big announcement” on tax reform coming next week. He [told](#) the *Associated Press* he'd be unveiling a tax plan with a “massive” tax cut—“bigger I believe than any tax cut ever”—for businesses and individuals alike.

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