

Institutional Patterns in the Obama Administration

The Obama administration (2009-2017) operated within a complex framework of institutional relationships that reveals significant patterns of industry influence, regulatory enforcement, and governance challenges. This comprehensive investigation examines personnel appointments, policy decisions, regulatory patterns, and institutional practices across ten major areas of governance, revealing both continuities with previous administrations and distinctive features of Obama-era governance.

Wall Street connections shaped financial crisis response

The administration's response to the 2008 financial crisis demonstrated extensive connections between government officials and the financial sector. (American Deposits) **Timothy Geithner**, who served as Treasury Secretary from 2009-2013, came from the Federal Reserve Bank of New York where he had architected Wall Street bailouts. (FactCheck.org) (Public Integrity) His successor, **Jack Lew**, earned over \$900,000 in bonuses from Citigroup's Alternative Investments unit while the bank received \$45 billion in taxpayer bailout funds. (Slate) After leaving government, both joined private equity firms - Geithner to Warburg Pincus and Lew to Lindsay Goldberg. (Wikipedia +2)

The administration disbursed **\$443.5 billion** through TARP, with major banks receiving capital injections without meaningful executive changes or compensation restrictions. (American Deposits) (U.S. Department of the Treas...) This approach contrasted sharply with the Savings and Loan crisis of the 1980s-1990s, when **1,706 bankers were sent to prison**. (Wikipedia +2) During the Obama administration, **zero major Wall Street executives faced prosecution** for crisis-related fraud, despite widespread evidence of misconduct. (The Nation) Instead, the Department of Justice pursued civil settlements totaling tens of billions of dollars, allowing banks to avoid admitting wrongdoing while treating penalties as tax-deductible business expenses.

The "Holder Doctrine," originating from Eric Holder's 1999 memo directing prosecutors to consider "collateral consequences" when investigating corporations, became standard practice.

(The American Prospect +2) Major banks received deferred prosecution agreements rather than criminal charges. HSBC paid \$1.9 billion for money laundering violations without any executives facing jail time. (Wikipedia) (HuffPost) After leaving the DOJ, Holder returned to Covington & Burling, the same law firm that had represented major banks during his tenure as Attorney General, while his Criminal Division Chief Lanny Breuer also rejoined the firm, earning approximately \$4 million in his first year back. (Salon) (SocialistWorker.org)

Healthcare reform reflected extensive industry input

The Affordable Care Act's development process revealed deep pharmaceutical and insurance industry

influence on policy formation. [PubMed Central](#) [Axios](#) The administration negotiated an **\$80 billion deal with PhRMA** in June 2009, with White House officials Jim Messina and Rahm Emanuel meeting directly with industry CEO Billy Tauzin. In exchange for industry support, the White House agreed to maintain the prohibition on Medicare drug price negotiation, block drug reimportation from Canada, and cap industry contributions at exactly \$80 billion - abandoning Obama's campaign promise to allow Medicare to negotiate for cheaper drug prices. [PolitiFact](#) [American Action Forum](#)

Liz Fowler exemplified the healthcare revolving door, moving from WellPoint insurance company to Senator Max Baucus's staff where she became "the architect" of the ACA, then to the White House to implement the law, before joining Johnson & Johnson as Vice President for Global Health Policy. Nancy-Ann DeParle, who directed the White House Office of Health Reform, had earned at least \$2.3 million from healthcare companies immediately before joining the administration, including board positions at DaVita, Cerner, Boston Scientific, and Medco Health Solutions. [Modern Healthcare](#)

The pharmaceutical industry spent **\$318 million on lobbying in 2009**, the year before ACA passage, employing 165 lobbyists of whom 137 were former government employees. [American Action Forum](#) The insurance industry secured the individual mandate requiring Americans to purchase private insurance, creating a guaranteed customer base. Risk mitigation programs including risk corridors, reinsurance, and risk adjustment transferred billions to insurers to encourage participation while limiting their downside risk. [American Action Forum](#) [Health Affairs](#)

Surveillance programs expanded with tech industry cooperation

The administration significantly expanded NSA surveillance capabilities while compelling technology company participation. The PRISM program, operational since 2007, grew to include Microsoft, Yahoo, Google, Facebook, Apple, and other major tech companies by 2012, providing direct access to servers for emails, documents, photos, and communications. [The Washington Post +3](#) Yahoo initially resisted participation but capitulated after the government threatened **\$250,000 daily fines that would double weekly**, potentially reaching trillions of dollars.

Section 215 bulk metadata collection gathered telephone records from major carriers "on an ongoing daily basis," storing data for up to five years. [Center for Democracy and T...](#) [ZwillGen](#) The Second Circuit Court of Appeals ruled this program illegal in 2015, calling it an "unprecedented contraction of privacy expectations." [ZwillGen](#) [NPR](#) The XKeyscore system, described as "NSA's Google," operated from 150+ field sites globally with 700+ servers, collecting 20+ terabytes daily at some locations.

[The Intercept](#) [Infosec Institute](#)

Director of National Intelligence James Clapper provided false testimony to Congress in March 2013, denying that the NSA collected "any type of data at all on millions of Americans." Three months later, Edward Snowden's revelations proved this statement false. [Wikipedia +2](#) Clapper later called his

response the "least untruthful" answer and claimed he had "forgotten" about the Section 215 program, though no perjury charges were filed despite a five-year statute of limitations. [Wikipedia](#) [House](#)

Amazon Web Services won a **\$600 million CIA cloud contract** in 2013, beating IBM despite a higher bid, and built specialized classified cloud regions for the intelligence community. The administration prosecuted more whistleblowers under the Espionage Act than all previous administrations combined, creating what critics called an atmosphere of fear around national security disclosures. [Health Affairs](#)

Personnel appointments revealed extensive revolving door patterns

Analysis of Obama administration appointments reveals that approximately **30-35% of Cabinet positions** were filled by individuals with significant private sector experience, with particular concentration from the financial services industry. At least 6-8 Goldman Sachs alumni served in various capacities throughout the administration, including Gary Gensler as CFTC Chairman [Wikipedia](#) [BelnCrypto](#) and Gene Sperling, who earned \$887,727 from Goldman Sachs in 2008 for "advice on charitable giving." [Common Dreams +7](#)

Michael Taylor represented the most controversial revolving door case, rotating between Monsanto, where he served as Vice President for Public Policy, and the FDA, where he became Deputy Commissioner for Foods overseeing biotech policies. His appointment generated over 226,000 petition signatures in opposition. [Democracy Now!](#) **Ernest Moniz**, who became Energy Secretary, had extensive fossil fuel industry ties including serving on BP's Technology Advisory Council, the board of ICF International, and as a trustee of the King Abdullah Petroleum Studies and Research Center backed by Saudi Aramco, [ProPublica](#) [Grist](#) earning over \$305,000 from ICF International alone.

[American Academy of Arts &...](#)

The administration granted only **16 ethics waivers** out of approximately 1,890 appointments (less than 1%), though critics argued this understated conflicts due to "strategic advisor" designations that avoided lobbying restrictions. [The White House +4](#) Post-administration, approximately 40-50% of senior officials joined the private sector, with unprecedented migration to Silicon Valley companies including Jay Carney to Amazon, David Plouffe to Uber, and Marne Levine to Facebook. [CBS News +2](#)

Energy policy balanced climate goals with fossil fuel expansion

The administration pursued an "all-of-the-above" energy strategy that simultaneously promoted renewable energy while facilitating the domestic fossil fuel boom. Oil production increased **70% from 2008 levels**, mostly on private and state lands, while natural gas production reached all-time highs through the fracking revolution. The administration lifted the ban on crude oil exports and approved liquified natural gas exports in Obama's second term. [Wikipedia](#)

The Clean Power Plan, announced in 2015, set the first-ever carbon pollution standards for existing power plants, requiring a 32% reduction in CO₂ emissions from 2005 levels by 2030. However, the Supreme Court blocked implementation in an unprecedented 5-4 vote in February 2016, the first time the Court stayed a regulation before a lower court ruling. ([Wikipedia](#)) Twenty-seven states sued the EPA over the plan, with industry arguing it would have a "devastating effect on the economy." ([Wikipedia](#))

Obama denied the Keystone XL pipeline permit in November 2015, stating it would not meaningfully contribute to the economy or lower gas prices. ([The White House](#)) However, the administration approved the Dakota Access Pipeline before halting construction following massive protests, only to have the decision reversed immediately under the Trump administration. ([Wikipedia](#)) The Recovery Act invested **\$80 billion in clean energy**, the largest single investment in U.S. history, creating 900,000 job-years in clean energy fields from 2009-2015. ([The White House +2](#))

The DOE loan guarantee program's mixed results included the **\$535 million Solyndra failure** that resulted in 1,100 job losses and an FBI investigation, contrasted with Tesla's successful \$465 million loan that was repaid nine years early with interest. ([American Deposits +8](#)) Overall, the loan program showed a 2.28% default rate on \$34.2 billion loaned, generating \$810 million in interest payments and finishing \$30 million in the black despite high-profile failures. ([Center for Public Integrity +2](#))

Foreign policy integrated defense industry interests

The Obama administration approved **\$278+ billion in foreign arms sales** over eight years, more than double the Bush administration's \$128.6 billion. ([Wikipedia](#)) Saudi Arabia emerged as the largest recipient with \$115 billion in approved sales, including F-15 fighter jets, Apache helicopters, and precision-guided munitions, ([Defense One](#)) though the administration halted some munitions sales in 2016 due to civilian casualties in Yemen.

The September 2016 agreement with Israel provided a historic **\$38 billion military aid package** for 2019-2028, increasing annual aid from \$3.1 billion to \$3.8 billion while eliminating Israel's ability to spend funds on domestic defense products, ensuring all money flowed to American military industries. ([The White House +6](#)) Defense contractors spent extensively on lobbying, with Lockheed Martin, General Dynamics, and Raytheon spending \$33.4 million in 2011 alone, ([The Washington Post](#)) while maintaining a revolving door with 672 former government officials working for the top 20 contractors by 2021.

([Truthout](#))

The F-35 program exemplified defense procurement challenges, with costs ballooning from an original \$200 billion estimate to **\$406.5 billion in acquisition costs** by 2017, with total lifetime costs projected at \$1.5 trillion through 2070. The program ran 80% over budget and 10 years behind schedule, achieving only 20% parts commonality between variants despite original plans for extensive sharing.

([Wikipedia +4](#))

Trans-Pacific Partnership negotiations revealed extensive corporate influence, with 85% of seats on U.S. trade advisory committees held by senior corporation executives or industry lobbyists according to Senator Elizabeth Warren's analysis. (The American Prospect +2) The agreement included extended monopoly protections for pharmaceutical firms and investor-state dispute settlement mechanisms allowing corporations to challenge government regulations.

Regulatory enforcement reached unprecedented levels

The Obama administration pursued significantly more aggressive regulatory enforcement than predecessors or successors, collecting over **\$320 billion in total penalties** during its tenure. Fortune 100 companies paid an annual average of \$17+ billion in penalties during Obama years compared to \$1.1 billion in Trump's first year. The administration secured historic settlements including Bank of America's \$16.65 billion (the largest civil settlement in U.S. history) and JPMorgan Chase's \$13+ billion. (Environmentalintegrity +3)

The Consumer Financial Protection Bureau, created in 2011 under Dodd-Frank, collected **\$12 billion in fines and restitution** for 29 million consumers by 2017, addressing issues from Wells Fargo's fake accounts scandal to payday lending violations. The EPA's enforcement culminated in BP's **\$20.8 billion Deepwater Horizon settlement**, including a \$5.5 billion Clean Water Act penalty, the largest environmental penalty in history. (Huntonak)

OSHA conducted an average of 38,092 worksite inspections annually compared to 32,610 under Trump, introducing a 2016 weighting system prioritizing complex, high-hazard investigations.

(Occupational Safety and He... (National Employment Law Pr...) However, resource constraints affected enforcement capacity, with EPA enforcement staff declining from a peak of 3,200 to 2,700, forcing a focus on "high-impact, high-value cases" rather than comprehensive oversight. (Environmentalintegrity +2)

The administration's antitrust record proved mixed, blocking the AT&T/T-Mobile merger while approving Comcast-NBC Universal and various airline consolidations. Updated 2010 merger guidelines raised concentration thresholds, suggesting greater tolerance for market concentration despite rhetoric about protecting competition. (CNN (Stanford Law Review)

Crisis response revealed contracting and transparency challenges

The American Recovery and Reinvestment Act allocated **\$840 billion** in stimulus funding, with the administration claiming 1.5-2 million jobs created or saved by late 2009. (Federal Transit Administratio... However, CBO analysis showed wide uncertainty ranges, and by 2014 the program's impact had diminished to only 0.2% GDP growth and 0.2 million jobs. (Congressional Budget Office) Recovery.gov, created for public tracking, provided limited useful information with reporting covering only one-fifth of total spending. (Grants.gov (The White House)

The auto industry bailout cost taxpayers between **\$9.3 and \$23 billion** in losses after spending \$80 billion on GM, Chrysler, and Ally Financial. ([Congressional Budget Office](#)) Heritage Foundation analysis found the UAW received \$26.5 billion in extra subsidies beyond normal bankruptcy treatment, with unsecured UAW creditors treated better than secured creditors in violation of bankruptcy law precedent. ([Heritage Foundation](#)) ([PolitiFact](#))

Hurricane Sandy response involved **\$60.4 billion** in congressional appropriations, with 25-50% of contracts awarded without competitive bidding under emergency provisions. ([The Hill +2](#)) Ten years later, New York City had spent only 73% of its \$15 billion allocation, with major projects like the East Side Coastal Resiliency not expected to complete until 2027. ([New York City Comptroller](#))

The healthcare.gov launch disaster saw costs escalate from an initial **\$93.7 million CGI Federal contract to \$1.7 billion** total, requiring Accenture to take over at additional cost. ([Healthcare Dive +7](#)) State exchanges in Oregon, Nevada, Maryland, and Hawaii failed completely despite hundreds of millions in federal funding, with Oregon's \$305 million system never becoming functional.

Democratic institutions faced transparency and oversight challenges

Despite promising to lead "the most transparent administration in history," the Obama administration set records for FOIA denials and backlogs, with **39% of requests censored or fully denied** in 2014 and backlogs growing 55% to over 200,000 pending requests. The government spent a record \$434 million on FOIA processing plus \$28 million on lawyers fighting disclosure.

The administration prosecuted **eight individuals under the Espionage Act** ([FactCheck.org](#)) for leaking to media, more than all previous administrations combined (three cases total). ([Health Affairs](#)) Cases included Thomas Drake (NSA), whose 10 felony charges were reduced to a misdemeanor after the judge called the prosecution "unconscionable," and Chelsea Manning, who received 35 years for WikiLeaks disclosures.

Press freedom deteriorated significantly, with the administration secretly seizing **20 AP phone lines** affecting 100+ journalists and naming Fox News reporter James Rosen as a "co-conspirator" under the Espionage Act. Veteran reporters described it as the most restricted press access since Nixon, with officials required to communicate only through public affairs offices.

Inspector General positions remained vacant for extended periods, averaging **613 days to fill** compared to 224 days under Reagan. ([GovExec](#)) The State Department lacked a permanent IG during Hillary Clinton's entire tenure, while seven major agencies operated without permanent IGs during Obama years. ([GovExec](#)) ([ProPublica](#)) Eric Holder became the first Cabinet member held in criminal contempt of Congress for withholding Fast and Furious documents, ([Wikipedia](#)) with the administration invoking executive privilege to block disclosure.

Comparative analysis reveals complex institutional patterns

The Obama administration's governance patterns reveal both continuities and departures from historical precedent. While implementing the strongest regulatory enforcement in recent history and investing unprecedented amounts in clean energy, the administration simultaneously facilitated the fossil fuel boom and maintained extensive ties to industries it regulated. [\(Wikipedia +5\)](#) The revolving door between government and private sector remained active despite ethics pledges, with particular concentration in financial services, healthcare, and defense sectors. [\(Wikipedia +19\)](#)

The administration's approach to the financial crisis prioritized system stability over individual accountability, pursuing civil settlements rather than criminal prosecutions in stark contrast to the S&L crisis response. [\(PBS +3\)](#) Healthcare reform, while expanding coverage to millions, incorporated extensive industry input that preserved profitable business models and blocked cost-control measures like drug price negotiation.

International rankings during this period showed mixed results for American democratic institutions. While the administration released White House visitor logs for the first time [\(Wikipedia\)](#) and created Data.gov with 125,000+ datasets, [\(Wikipedia +2\)](#) it simultaneously prosecuted more whistleblowers than all predecessors combined and restricted press access to unprecedented levels. The pattern suggests a complex dynamic where transparency initiatives coexisted with aggressive protection of institutional prerogatives.

These documented patterns demonstrate that despite campaign promises of fundamental change, the Obama administration operated within and often reinforced existing institutional relationships between government and private industry, while pursuing aggressive regulatory enforcement that generated significant revenue without structural reform of underlying systems. [\(U.S. GAO +3\)](#) The result was a governance approach that balanced progressive policy goals with accommodation of established interests, creating tensions that continue to shape American political discourse.