

Institutional Capture in the First Trump Administration

The first Trump administration (2017-2021) systematically placed industry executives in regulatory positions overseeing their former employers, creating unprecedented conflicts of interest across federal agencies while channeling billions in government contracts to politically connected firms.

[ProPublica](#) This comprehensive investigation reveals patterns of institutional capture, foreign influence operations, and democratic norm violations that fundamentally altered American governance.

Goldman Sachs alumni dominated economic policy positions

The Trump administration featured the highest concentration of Goldman Sachs executives in modern government history, despite campaign rhetoric opposing Wall Street influence. [Wikipedia +2](#) **Gary Cohn**, who received a \$285 million severance package from Goldman Sachs, directed the National Economic Council while **Steven Mnuchin**, a 17-year Goldman partner, ran Treasury after initially failing to disclose \$95 million in assets. [The Intercept +2](#) **Dina Powell** served as Deputy National Security Adviser before returning to Goldman, while **Jay Clayton**, a longtime Goldman attorney, chaired the SEC. Even **Steve Bannon** and **Anthony Scaramucci** had Goldman backgrounds, creating what critics called "Government Sachs" controlling economic policy. [The Intercept](#)

The financial sector's regulatory capture extended beyond personnel to policy outcomes. Mnuchin led efforts to roll back Dodd-Frank regulations while Clayton reduced SEC enforcement against financial institutions. [Wikipedia](#) [U.S. Department of the Trea...](#) The administration's signature achievement, the 2017 tax cuts, delivered massive benefits to wealthy individuals and corporations while adding \$1.9 trillion to the deficit. Banks that had refused Trump loans for decades suddenly found their executives writing federal financial policy.

This Wall Street infiltration occurred alongside broader financial conflicts. The Trump Organization collected **\$13.6 million from foreign governments** during the presidency, according to Citizens for Responsibility and Ethics in Washington, while never seeking Congressional approval required by the Constitution's Foreign Emoluments Clause. [Oversight Democrats +2](#) Saudi Arabia alone paid \$615,422 to Trump properties, with payments spiking during critical policy decisions like arms sales and the Khashoggi murder response. [NBC News +2](#)

Energy executives dismantled environmental protections systematically

Former ExxonMobil CEO **Rex Tillerson**, who had received Putin's Order of Friendship for Russian energy deals, became Secretary of State while maintaining a \$245 million net worth from oil investments. [Wikipedia](#) [Miller Center](#) At EPA, former coal lobbyist **Andrew Wheeler** replaced **Scott Pruitt**, who resigned amid 14 ethics investigations after meeting with industry representatives 25 times more often than environmental advocates. [The Equation +2](#) Interior Secretary **David Bernhardt**, a

former oil and gas lobbyist, carried a card listing his conflicts of interest because they were so numerous. (NPR) (Washington Examiner)

These appointments produced immediate policy changes benefiting fossil fuel industries. The Clean Power Plan was replaced with the weaker Affordable Clean Energy rule, while the Waters of the United States rule significantly narrowed federal water protections. Bears Ears National Monument was reduced by **85%** and Grand Staircase-Escalante by nearly **50%**, opening millions of acres for resource extraction. Interior offered 17 million acres of federal lands for oil and gas leases during Bernhardt's tenure alone. (The Washington Post)

Environmental enforcement collapsed under industry leadership. EPA civil penalties dropped **28%** while criminal fines fell **49%** compared to historical averages. (The Conversation) Inspections reached a record low of 8,544 in 2020, down from an annual average of 18,082 during the Obama administration. (Environmentalintegrity) (Environmentalintegrity) Staff reductions left the Office of Enforcement and Compliance with its smallest workforce in decades, while scientific advisory boards were populated with industry representatives for the first time in EPA history. (Environmentalintegrity)

Crisis conditions enabled massive no-bid contracts to connected firms

The COVID-19 pandemic created opportunities for politically connected companies to secure billion-dollar contracts without competitive bidding. **Phlow Corporation**, incorporated just months before receiving an \$812 million pharmaceutical contract, won the award after Trump adviser Peter Navarro told officials "my head is going to explode if this contract does not get immediately approved."

(ProPublica) (ProPublica) **Kodak**, a photography company emerging from bankruptcy, received a \$765 million loan to manufacture pharmaceuticals despite lacking any relevant experience, with executives making millions from suspicious stock trades before the announcement. (NPR)

Border crisis monetization followed similar patterns. **Fisher Sand & Gravel** received over \$2 billion in border wall contracts after CEO Tommy Fisher's Fox News appearances and lobbying by Senator Kevin Cramer, despite the Pentagon Inspector General investigating potential improper White House influence. (The Washington Post) (Engineering News-Record) Private detention companies **CoreCivic and GEO Group**, which donated nearly \$2.8 million to Trump's campaigns, saw their stock prices soar as the administration allocated \$45 billion for detention expansion. (ABC News) (CREW)

Natural disaster responses revealed geographic favoritism. Puerto Rico's Hurricane Maria recovery featured a **\$300 million no-bid contract** to Whitefish Energy, a Montana company with only two full-time employees from Interior Secretary Ryan Zinke's hometown. (Wikipedia) (The Washington Post) The contract prohibited government auditing of costs while charging \$462 per hour for supervisors. (The Washington Post) California wildfire aid was explicitly threatened based on political support, establishing a pattern of using disaster relief as political leverage.

Foreign governments purchased influence through Trump properties

The Trump International Hotel in Washington became a nexus for foreign influence operations, with **T-Mobile executives spending \$195,000** during their Sprint merger review and Saudi-funded groups paying hundreds of thousands during critical policy decisions. Mar-a-Lago's membership fee doubled to **\$400,000** after the election, granting wealthy individuals and foreign officials direct presidential access. The Secret Service paid over **\$1.4 million** to Trump properties, often at rates far exceeding government limits, while being charged \$3 per glass of water during official visits. [\(Oversight Democrats +2\)](#)

International business entanglements created constant conflicts. **Ivanka Trump received 34 Chinese trademarks** during the presidency, including approvals timed with trade negotiations and her dinner with President Xi Jinping. [\(News8000 +5\)](#) When China agreed to a \$500 million loan for an Indonesia Trump project, the president immediately reversed sanctions on Chinese telecom giant ZTE, tweeting support to help them "get back into business, fast." [\(Slate +3\)](#) **Jared Kushner's** \$1.28 billion bailout of his underwater 666 Fifth Avenue property came from Brookfield Property Partners, where Qatar Investment Authority held a 7-9% stake, coinciding with Trump's withdrawal of support for the Qatar blockade.

Saudi Arabia's influence proved particularly consequential. Beyond property payments, Kushner communicated with Crown Prince Mohammed bin Salman via WhatsApp, with MBS reportedly telling confidants Kushner was "in his pocket." [\(PBS\)](#) After Kushner shared classified information about Saudi royal family opposition, MBS launched mass arrests of rivals. [\(The Hill +5\)](#) When MBS ordered journalist Jamal Khashoggi's murder, Trump refused to accept CIA conclusions, declaring "Saudi Arabia is a big buyer of American product. That means something to me." [\(PBS\)](#) [\(ABC News\)](#)

The Federalist Society engineered judicial capture through dark money

Leonard Leo, the Federalist Society's longtime executive, personally curated Trump's Supreme Court nominee lists and coordinated over **\$250 million in dark money** supporting confirmations.

[\(The Washington Post\)](#) [\(Wikipedia\)](#) All three Trump Supreme Court appointees - Gorsuch, Kavanaugh, and Barrett - came from Leo's lists, while **86% of Trump's appellate court nominees** were Federalist Society members or affiliates. [\(ProPublica +2\)](#) In 2021, Leo gained control of a \$1.6 billion trust from businessman Barre Seid, the largest known political donation in U.S. history. [\(ProPublica\)](#)

This judicial pipeline operated alongside unprecedented DOJ politicization. Attorney General **Bill Barr** intervened in cases involving Trump associates Roger Stone and Michael Flynn, overruling career prosecutors who resigned in protest. [\(Newsweek +3\)](#) When environmental lawyer **Jeffrey Clark** attempted to have DOJ announce false election fraud claims, Trump nearly appointed him Acting Attorney General before senior officials threatened mass resignations. [\(Lawfare +4\)](#) The administration

fired five inspectors general in six weeks during 2020, each investigating potential administration wrongdoing. (Wikipedia +4)

The pardon power became a tool for protecting allies and rewarding loyalty. Trump pardoned campaign chairman **Paul Manafort**, adviser **Roger Stone**, National Security Adviser **Michael Flynn**, and strategist **Steve Bannon** - the latter while under indictment for defrauding Trump's own supporters. (NPR +7) Charles Kushner received a pardon despite witness tampering convictions, (NPR +2) while four Blackwater contractors convicted of killing 14 Iraqi civilians were freed, (CNBC) benefiting Erik Prince, brother of Education Secretary Betsy DeVos.

Democratic institutions faced escalating pressure culminating in violence

Congressional oversight collapsed as the administration claimed "absolute immunity" from testimony, with officials like Don McGahn and John Bolton defying subpoenas despite federal judges ruling presidents "are not kings." The Office of Special Counsel found **Kellyanne Conway** committed over 50 Hatch Act violations while the White House refused any disciplinary action. (Citizens for Responsibility an... Security clearance protocols were overridden in **25+ cases**, including for Kushner and Ivanka Trump despite FBI and CIA objections. (NPR) (Axios)

Election subversion efforts intensified after Trump's 2020 defeat. **Louis DeJoy**, appointed Postmaster General despite lacking postal experience, removed 711 high-speed mail sorting machines capable of processing 21.4 million pieces per hour while eliminating overtime during peak mail voting. (Wikipedia) Trump told Georgia Secretary of State Brad Raffensperger "I just want to find 11,780 votes" while his campaign organized fake electors in seven states, with RNC assistance at Trump's direct request.

(FactCheck.org +3)

The January 6, 2021 attack on the Capitol represented the culmination of institutional stress. **Proud Boys and Oath Keepers leaders received seditious conspiracy convictions** with sentences up to 22 years for coordinating the assault that killed five and injured 140 officers. (U.S. Department of Justice)

(U.S. Department of Justice) The House January 6th Committee's 814-page report, based on 1,000+ witness interviews, recommended criminal charges against Trump for obstruction, conspiracy to defraud the United States, false statements, and inciting insurrection. (NPR)

Measurable democratic decline accompanied institutional capture

Freedom House measured an **11-point democracy score decline** from 2010-2020, with 6 points lost during Trump's presidency alone, dropping America alongside Romania and Panama in democratic rankings. (Freedom House) The administration's deregulatory agenda - eliminating an average of 5.5 regulations for each new one - succeeded despite courts ruling against **78% of challenged actions** for lacking legal justification or following proper procedures. (Brookings +3)

EPA enforcement data revealed the human cost of regulatory capture. Harvard researchers estimated Trump's environmental rollbacks would cause **80,000 excess deaths per decade** from increased pollution. (AJP) Workplace fatality investigations reached a 10-year high as OSHA inspections fell to historic lows. (EnvironmentalIntegrity) (EnvironmentalIntegrity) The Brookings Institution documented 321 deregulatory actions affecting public health, worker safety, and environmental protection. (Brookings)

Heritage Foundation personnel occupied 70+ administration positions while implementing 64% of the organization's policy recommendations within Trump's first year. (Wikipedia +2) This systematic placement of ideological allies extended through federal agencies, with Americans for Prosperity and Koch network alumni concentrated in EPA, Education, and Energy departments pursuing deregulation aligned with their funders' business interests.

Personnel networks created lasting institutional change

The administration established enduring mechanisms for future capture. Heritage Foundation's Project 2025 personnel database, developed with former Trump officials, created infrastructure for staffing future conservative administrations. (Heritage Foundation) (Wikipedia) The America First Policy Institute, founded by Trump alumni, serves as a government-in-waiting promoting Trump-era policies. Meanwhile, Federalist Society judicial appointees - 231 federal judges including three Supreme Court justices - will shape law for generations. (Brookings)

The revolving door spun rapidly in both directions. Defense Secretary **Mark Esper** came from Raytheon after being named "top corporate lobbyist" two consecutive years, refused to extend his recusal from Raytheon matters, then returned to defense industry consulting. FDA Commissioner **Scott Gottlieb** arrived from pharmaceutical boards, approved policies benefiting drug companies, then joined Pfizer's board immediately after leaving government. Treasury Secretary Mnuchin, HHS Secretary **Alex Azar**, and dozens of other industry executives followed similar paths. (NPR +3)

This investigation documents how the Trump administration transformed temporary political appointment into permanent institutional capture. (NPR) (The Washington Post) Through strategic personnel placement, crisis exploitation, foreign influence operations, and attacks on oversight mechanisms, the administration created a template for subordinating democratic institutions to private interests. (Wikipedia +5) The patterns revealed here - from the \$13.6 million in foreign government payments (citizensforethics) (Citizens for Responsibility an...) to the systematic destruction of environmental protections to the coordination of extremist violence - demonstrate how institutional capture threatens not just individual agencies but democracy itself. (American Oversight) (House)