

# Steve Rattner

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(born July 5, 1952) is an American [financier](#) who served as lead adviser to the [Presidential Task Force on the Auto Industry in 2009](#) for the [Obama administration](#).<sup>[1]</sup>

## New York Pension Fund Investigation

In 2005, Quadrangle made payments to [private placement agent](#) Hank Morris to help Quadrangle raise money for its second buyout fund.<sup>[13]</sup> Morris had come highly recommended to Rattner from U.S. Senator [Charles Schumer](#).<sup>[14]</sup> Morris was also the chief political advisor to [Alan Hevesi](#), the [New York State Comptroller](#) and manager of the New York State Common Retirement Fund (CRF), which invests in many [private equity funds](#). Morris told Rattner he could increase the size of the CRF investment in Quadrangle's second buyout fund. Rattner agreed to pay Morris a [placement fee](#) of 1.1% of any investments greater than \$25 million from the CRF.<sup>[15]</sup>

In 2009, Quadrangle and a dozen other investment firms, including the [Carlyle Group](#), were investigated by the [U.S. Securities and Exchange Commission](#) for their hiring of Morris. The SEC viewed the payments as "kickbacks" in order to receive investments from the CRF since Morris was also a consultant to Hevesi.<sup>[16]</sup> Quadrangle paid \$7 million in April 2010 to settle the SEC investigation, and Rattner personally settled in November for \$6.2 million without admitting or denying any wrongdoing.<sup>[17]</sup>

## Prosecution by Attorney General Cuomo

The case drew significant media attention when [Andrew Cuomo](#), the [New York State Attorney General](#), demanded more severe penalties from Rattner than any of the other firms or individuals who had hired Morris as a placement agent.<sup>[18]</sup> Rattner was once a major fundraiser for [Democratic Party](#) candidates including [Al Gore](#) and [Hillary Clinton](#), but Rattner had repeatedly passed on fundraising for Cuomo despite Cuomo's past attempts to cultivate Rattner's support.<sup>[19]</sup>

In an appearance on the [Charlie Rose Show](#), Rattner asserted that hiring Morris as a placement agent was "legal then, legal now, and done properly."<sup>[20]</sup> He explained he was willing to settle on reasonable terms as he had done with the SEC, but questioned whether Cuomo was motivated by the "facts" of the case and called Cuomo's demands "close to extortion."<sup>[21]</sup>

On December 30, 2010, Rattner reached a settlement with Cuomo to pay \$10 million in restitution but no fines or penalties. He was not prohibited from continuing to protest his innocence.<sup>[22]</sup>

Wikipedia

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