



## Car czar caught up in investigation

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In March, Steven Rattner, the leader of the Obama administration's auto task force, was the man who sat face to face with General Motors CEO Rick Wagoner at a Treasury Department meeting and fired him.

Now it's Rattner's turn in the hot seat.

The Wall Street Journal reported Thursday night that Rattner was involved with payments at the center of an investigation into an alleged kickback scheme at New York state's pension fund. Sourcing their information to a "person familiar with the matter," Journal reporters Craig Karmin and Peter Lattman reported that Rattner, who was then an executive at Quadrangle Group, an investment firm he co-founded, met with a "politically connected" consultant to discuss a finder's fee. Quadrangle later paid a \$1.1 million fee, and received a \$100 million investment from the New York State Common Retirement Fund.

New York Attorney General Andrew Cuomo and the Securities and Exchange Commission have been investigating whether payments to middle men by private equity firms including Quadrangle constituted improper kickbacks in exchange for investments from the pension fund, which is worth \$122 billion.

For the Obama administration, the revelation of Rattner's involvement in the deal is likely to cause a political headache at a time when the president is set to decide on the ultimate fate of General Motors and Chrysler, the car companies that are living on government bailout money and facing a strict timetable to reconstitute their businesses.

According to the Journal, a spokeswoman for the Treasury Department said that Rattner disclosed the pending investigation during the vetting process of the presidential transition. That will raise uncomfortable comparisons to Treasury's top official, Secretary Timothy Geithner, who failed to correctly pay his taxes, but was nonetheless supported for the position by President Barack Obama in the face of stiff criticism at the time.

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