

Mick Mulvaney

Donald Trump's pick to serve as director of the U.S. Office of Management and Budget (OMB), Mick Mulvaney, was elected to the U.S. House of Representatives during the 2010 Tea Party wave, and is a founding member of the far-right Republican Freedom Caucus.¹

I. Mulvaney's Extreme Positions

Mulvaney has advocated extreme positions on social insurance programs, the social safety net, financial issues, servicing the government debt, science, women's issues, disaster relief and government spending in general. He also has spoken to extreme groups.

Extreme Positions on Social Insurance and the Social Safety Net

"A review of the bills Mulvaney has introduced reveals a strong appetite to cutting government spending, especially Medicare and Social Security," *The Hill* reported.²

On Medicare, Mulvaney has said "we have to end Medicare as we know it," advocated for raising the retirement age to 67,³ and "vocally championed proposals by then-Budget Committee Chair Paul Ryan (R-Wis.) and others to privatize Medicare."⁴ If selected to serve as OMB director, Mulvaney will have "a huge influence over Medicare policy," according to Ken Baer, a former associate director at OMB.⁵

He referred to Social Security as a "Ponzi scheme,"⁶ and advocated for raising the social security retirement age to 70.⁷

Extreme Positions on the Financial System

In July 2016, Mulvaney gave a speech at the John Birch Society, which the Southern Poverty Law Center describes as a "conspiracist group exiled by the right a half century ago" that promotes topics such as "ObamaCare supports Euthanasia."⁸ Mulvaney told the John Birch Society audience: "You all put out some really good stuff and it's always interesting," according to *Mother Jones*.⁹

¹ https://www.nytimes.com/2016/12/16/us/politics/mick-mulvaney-office-management-budget-trump.html?_r=0

² <http://thehill.com/homenews/administration/310902-trumps-pick-for-budget-chief-could-signal-major-shift-on-medicare>

³ <https://www.youtube.com/watch?v=fXpteuMlms>

⁴ <http://talkingpointsmemo.com/dc/trump-pick-for-omb-director-wants-to-end-medicare-as-we-know-it>

⁵ http://talkingpointsmemo.com/dc/trump-pick-for-omb-director-wants-to-end-medicare-as-we-know-it?utm_content=buffer6752d&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer

⁶ <http://www.msnbc.com/transcripts/rachel-maddow-show/2011-09-07-0>

⁷ <https://www.youtube.com/watch?v=fXpteuMlms>

⁸ <https://www.splcenter.org/fighting-hate/intelligence-report/2013/bringing-back-birch>

⁹ <http://www.motherjones.com/politics/2016/12/trump-mulvaney-john-birch-society>

In the speech to the John Birch Society, Mulvaney “blasted the Federal Reserve, saying its actions have ‘effectively devalued the dollar’ and ‘choke[d] off economic growth,’” and “praised bitcoin as a currency that is ‘not manipulatable by any government’,” as reported by *Mother Jones*.¹⁰

Mulvaney has referred to the U.S. Consumer Financial Protection Bureau (CFPB) as “a joke...in a sick sad kind of way,” and would like to “get rid of it.”¹¹

Extreme Positions on National Default and Government Shutdown

In 2011, Mulvaney voted against raising the debt ceiling,¹² and does not believe that failing to raise the debt limit would cause the government to default, saying: “I have never believed the threat that this country will default on its debt as a result of any failure to raise the debt ceiling.”¹³ Mulvaney was against raising the debt limit in 2012¹⁴ and 2013.¹⁵ He also reportedly said in terms of a failure to raise the debt ceiling, “I have yet to meet someone who can articulate the negative consequences,” according to *The Hill*.¹⁶

In an October 2013 report, the U.S. Treasury Department explained the negative consequences of the government defaulting on its debts: “it could have a catastrophic effect on not just financial markets but also on job creation, consumer spending and economic growth — with many private-sector analysts believing that it would lead to events of the magnitude of late 2008 or worse, and the result then was a recession more severe than any seen since the Great Depression.”¹⁷

Mulvaney believed shutting down the government in 2013 was “good policy,”¹⁸ and “spearheaded” a letter which threatened to shut down the government over Planned Parenthood funding.¹⁹

When discussing the fight to raise the debt ceiling in 2015, Mulvaney shed light on his negotiating strategy more broadly, explaining “I’ll play chicken with you every time.”²⁰

¹⁰ <http://www.motherjones.com/politics/2016/12/trump-mulvaney-john-birch-society>

¹¹ <https://www.youtube.com/watch?v=RaVeNafdyVA>

¹² <https://mulvaney.house.gov/media-center/press-releases/mulvaney-statement-tonights-debt-ceiling-vote>

¹³ <https://mulvaney.house.gov/media-center/press-releases/mulvaney-statement-budget-control-act-vote>

¹⁴ <https://mulvaney.house.gov/media-center/press-releases/representative-mulvaney-makes-statement-debt-limit-increase>

¹⁵ <https://mulvaney.house.gov/media-center/press-releases/rep-mulvaney-releases-statement-debt-deal>

¹⁶ <https://web.archive.org/web/20101222005618/http://thehill.com/blogs/on-the-money/budget/134439-house-budget-committee-freshmen-cheered-by-collapse-of-omnibus>

¹⁷ <https://www.scribd.com/document/173040295/Potential-Macroeconomic-Impact-of-Debt-Ceiling-Brinkmanship>

¹⁸

http://www.slate.com/articles/news_and_politics/politics/2013/10/republican_party_lose_on_government_shutdown_and_debt_limit_the_gop_rewrites.html

¹⁹ <http://thehill.com/policy/finance/252934-28-republicans-pledge-to-oppose-any-bill-funding-planned-parenthood>

²⁰ <http://www.nytimes.com/2015/10/08/us/politics/hard-line-republicans-flex-muscle-as-election-of-house-speaker-looms.html>

Extreme Positions on Science and Public Health

Mulvaney believes global warming is “based on questionable science,”²¹ has questioned the scientific consensus²² that the Zika virus causes the birth defect microcephaly,²³ and whether “we really need government funded research at all.”²⁴

Extreme Positions on Women’s Issues

In 2013, Mulvaney voted against the reauthorization of the Violence Against Women Act.²⁵ In 2015, Mulvaney voted “present”²⁶ on a bipartisan breast cancer research bill that passed the house by a 421-9 vote.

Extreme Positions and Hypocrisy on Disaster Relief

In 2013, Mulvaney was against a Hurricane Sandy relief bill because “it is not paid for.”²⁷ Explaining his rationale, Mulvaney said: “We’re borrowing this additional money to do this and I just think that’s wrong.”²⁸ Mulvaney told *CNN* he hoped “to pay for this [Sandy relief] without adding to the debt.”²⁹ New Jersey politicians criticized Mulvaney saying he “once took a personal government-backed loan to help his business recover from a South Carolina storm.”³⁰

But when historic flooding struck South Carolina in 2015, Mulvaney appears to have changed his tune regarding paying for disaster relief upfront, reportedly saying: “There will be a time for a discussion about aid and how to pay for it, but that time is not now,” Mulvaney said. “The danger is still real, and it is immediate. Keeping folks safe is the priority right now.”³¹

²¹ http://www.huffingtonpost.com/heather-taylormiesle/congressional-candidates_b_721470.html &

<https://web.archive.org/web/20100722061044/http://www.mulvaneyforcongress.com/issues-2>

²² <http://www.vox.com/2016/4/6/11348908/zika-science>

²³ <http://www.motherjones.com/politics/2016/12/trumps-pick-budget-director-isnt-sure-government-should-fund-scientific-research>

²⁴ <http://www.vox.com/science-and-health/2016/12/21/14012552/trump-budget-director-research-science-mulvaney>

²⁵ <https://projects.propublica.org/represent/votes/113/house/1/55>

²⁶ <http://clerk.house.gov/evs/2015/roll442.xml>

²⁷ <http://startingpoint.blogs.cnn.com/2013/01/15/rep-mulvaney-r-sc-says-he-will-vote-against-the-sandy-relief-bill-because-it-is-not-paid-for/>

²⁸ <http://startingpoint.blogs.cnn.com/2013/01/15/rep-mulvaney-r-sc-says-he-will-vote-against-the-sandy-relief-bill-because-it-is-not-paid-for/>

²⁹ <http://startingpoint.blogs.cnn.com/2013/01/15/rep-mulvaney-r-sc-says-he-will-vote-against-the-sandy-relief-bill-because-it-is-not-paid-for/>

³⁰ http://www.nj.com/politics/index.ssf/2013/01/hurricane_sandy_aid_some_worri.html

³¹ <http://www.usnews.com/news/politics/articles/2015/10/06/in-past-votes-sc-delegation-opposed-flood-aid>

Conflict of Interest on Fannie Mae and Freddie Mac

Mulvaney has deployed his “playing chicken” tactic on other occasions, including introducing a bill “blocking payments by the housing lenders Fannie Mae and Freddie Mac to funds that support low income housing unless both Fannie and Freddie are recapitalized and released.”³² While Mulvaney is often described as a “fiscal hawk,”³³ his proposed bill would come with a “price-tag to taxpayers” of “around \$405 billion,” according to the *Wall Street Journal*.³⁴

According to the same report, if the Mulvaney bill were to pass, “the biggest winners would be investors in the companies. Essentially, they would be getting that \$405 billion from U.S. taxpayers for free,” and “the effect on the share price of the two companies would likely be explosive.”³⁵

One shareholder who would profit off the recapitalization and release Fannie and Freddie is Perry Capital.³⁶ Perry Capital employees, “and lawyers from Gibson Dunn, which lobbies on Perry’s behalf, together donated \$4,500 to Mr. Mulvaney’s campaigns,” according to the *Wall Street Journal*.³⁷ The donations were made as Mulvaney was working on a bill³⁸ that would set “a path for Fannie and Freddie to leave conservatorship.”³⁹ Perry Capital has sued Fannie and Freddie.⁴⁰

II. Background on Mulvaney Prior to Entering the U.S. Congress

Before being elected to the U.S. Congress in 2010, Mulvaney ran a “family real estate business then started a small homebuilding company.”⁴¹ Mulvaney previously served in the South Carolina state house of representatives (2007-2009), and the South Carolina state Senate (2009-2010).

Mulvaney’s real estate work in the early 2000s came under scrutiny when he criticized for “his role in a housing development plagued by financial and environmental problems.”⁴² According to reports, Mulvaney “lobbied Lancaster County Council members to approve \$30 million in bonds to pay for public improvements,”⁴³ on land he had purchased between 2000 and 2002.⁴⁴ Mulvaney

³² http://www.huffingtonpost.com/entry/donald-trump-fannie-mae_us_58557e4ee4b03904470916ff

³³ https://www.washingtonpost.com/news/powerpost/wp/2016/12/17/trump-names-rep-mick-mulvaney-a-fiscal-hawk-to-head-budget-office/?utm_term=.9b67f3094a11

³⁴ <http://blogs.wsj.com/moneybeat/2016/05/17/the-latest-fannie-and-freddie-reform-bill-offers-a-bonanza-for-hedge-funds/>

³⁵ <http://blogs.wsj.com/moneybeat/2016/05/17/the-latest-fannie-and-freddie-reform-bill-offers-a-bonanza-for-hedge-funds/>

³⁶ <http://blogs.wsj.com/moneybeat/2016/05/12/hedge-fund-cash-flows-to-gop-lawmakers-seeking-to-loosen-government-grip-on-fannie-and-freddie/>

³⁷ <http://blogs.wsj.com/moneybeat/2016/05/12/hedge-fund-cash-flows-to-gop-lawmakers-seeking-to-loosen-government-grip-on-fannie-and-freddie/>

³⁸ <http://nlihc.org/article/bill-would-suspend-gses-obligation-fund-nhtf>

³⁹ <http://blogs.wsj.com/moneybeat/2016/05/12/hedge-fund-cash-flows-to-gop-lawmakers-seeking-to-loosen-government-grip-on-fannie-and-freddie/>

⁴⁰ <http://blogs.wsj.com/moneybeat/2016/06/02/government-suffers-a-setback-in-fannie-and-freddie-litigation/>

⁴¹ <https://web.archive.org/web/20170106204258/https://www.scgop.com/electeds/mick-mulvaney/>

⁴² <http://www.heraldonline.com/latest-news/article12260726.html>

⁴³ <http://www.heraldonline.com/latest-news/article12260726.html>

⁴⁴ <http://www.bizjournals.com/charlotte/stories/2002/09/23/story3.html>

was able to convince Lancaster County to issue the bond by telling “officials that he would stay involved personally in the project,” according to a former Democratic council member who later ran against him for a state house seat.⁴⁵ But Mulvaney did not stay involved, and instead sold the property for a profit, shortly after the bond approval. Mulvaney acknowledges making a profit, but denied he made \$7 million, as his critics alleged.⁴⁶

U.S. Rep. John Spratt, who Mulvaney went on to defeat in 2010, alleged hypocrisy in the land deal because Mulvaney had said: “I don’t believe small business needs government,” and “I believe small business needs government to get out of the way.”⁴⁷ According to Spratt: “When he [Mulvaney] needed \$30 million, he didn’t go to his bank, he didn’t go to private sources, he went to county government,” and “If he really believes government should stay out of private transactions, why did he seek a \$30 million bond issue?”⁴⁸

In 2006, when running for the South Carolina state house of representatives, Mulvaney was criticized over revelations that millionaire “real estate developer and anti-government financier”⁴⁹ Howard Rich has donated \$9,000⁵⁰ to his campaign “through multiple LLCs.”⁵¹ While not illegal, it was viewed by some as a way to evade a \$1,000 individual contribution limit. The Center for Responsive Politics described Howard Rich’s use of shell corporations as a “shadow Money Network,” and said “Rich frequently camouflages his donations under any of dozens of nearly anonymous shell corporations.”⁵²

⁴⁵ <http://www.heraldonline.com/latest-news/article12260726.html>

⁴⁶ <http://www.heraldonline.com/latest-news/article12260726.html>

⁴⁷ <http://www.heraldonline.com/latest-news/article12260726.html>

⁴⁸ <http://www.heraldonline.com/latest-news/article12260726.html>

⁴⁹ http://www.huffingtonpost.com/corey-hutchins/pelosis-budget-chairman-f_b_742015.html

⁵⁰ <http://www.heraldonline.com/news/local/community/fort-mill-times/article11988050.html>

⁵¹ http://www.huffingtonpost.com/corey-hutchins/pelosis-budget-chairman-f_b_742015.html

⁵² <https://www.opensecrets.org/news/2012/06/rich-rewards-one-mans-shadow-money-network/>