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Trump team member slams unions, activists in favor of businesses

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Paul Atkins has one thing in common with Donald Trump: He doesn't hedge on his opinions.

Atkins, a former financial regulator who is playing a major role in the Trump presidential transition, has railed against labor unions, environmentalists and gay rights groups for challenging public companies through shareholder activism. He has called companies "weenies" who often "cave" to social activists. And he was once the only one of 68 business leaders who refused to endorse a reportrecommending ways to combat "crony capitalism" in Washington.

Now Atkins, a Republican and onetime SEC member, may be in line to land a top regulatory post in the Trump administration. Atkins is meeting with Trump and Vice President-elect Mike Pence in New York on Monday.

Atkins, the transition's team leader for financial regulatory agencies, is on the same page as Trump on a number of issues, most notably on Dodd-Frank, the sweeping market-reform law that the president-elect says he wants to dismantle.

Atkins has testified in the House three times in the last three years about the side-effects of the 2010 law, which was enacted after the financial crisis and is one of President Barack Obama's signature policies.

But comments of his, recorded at a 2012 Heritage Foundation event, reveal candid criticism of global-warming believers, organized labor and other Democratic allies. That suggests Atkins's influence could help companies well beyond Dodd-Frank deregulation.

"While Paul is in some ways more of an establishment Republican, I would put him in the free-market category," said Thaya Brook Knight, an official at the Cato Institute, a libertarian-leaning think tank. She added that she was "thrilled" with Atkins' position on the Trump team.

As for whether Atkins would return to government for Trump, Knight said "it is customary" for transition team people to end up in a president's administration.

Others are not as thrilled at that prospect.

"Tick down the list of issues we care about and you will typically find him on the other side," said Lisa Gilbert, an official with Public Citizen, a liberal advocacy group.

“We are nervous about what his placement in the transition means,” Gilbert said.

Atkins’ status in Trump’s Washington world is quickly becoming apparent.

A member of the SEC from 2002 to 2008, Atkins is on the transition landing teams for multiple agencies — the Consumer Financial Protection Bureau, Federal Deposit Insurance Corp. and Office of the Comptroller of the Currency. One of Atkins’ former staffers at the SEC is also on a landing team.

Atkins is a top candidate to be the Federal Reserve’s vice chairman for supervision, according to two sources familiar with the matter. That post — a powerful position charged with overseeing regulation of the nation’s financial institutions — has not been filled by the Obama administration since it was created out of Dodd-Frank.

Atkins is currently chief executive of Patomak Global Partners, a consulting firm he founded, and he was a senior partner at Sphere Consulting, a public relations firm in Washington.

During his time at the SEC, he demonstrated a preference for putting a light touch on regulations. He dissented from a plan to overhaul rules for the stock market in 2005. He also dissented from rules for hedge funds in 2004 that were later struck down in court. And he opposed big fines that the SEC imposed on companies as part of enforcement settlements.

Another similarity to Trump is that Atkins isn’t afraid to go against the consensus.

In October 2015, he was the only dissenter among dozens of business leaders who were asked to draw up a report titled “Crony Capitalism: Unhealthy relations between business and government.”

The report called for enacting stricter prohibitions on the revolving door from Congress to K Street lobbying firms, and it advocated for campaign-finance reform, among other measures. It is unclear why Atkins opposed the report.

A spokeswoman for Atkins referred questions to the Trump transition team, which did not immediately respond to a request for comment.

Atkins has also criticized labor unions, environmental organizations, gay-rights groups and state pension funds that he has said try to “co-opt or disenfranchise” companies.

He has spoken in favor of the American Legislative Exchange Council, the controversial, Koch brothers-backed group that has pushed for voter ID laws and “stand your ground” statutes in many states. He has also defended anonymous “dark money” in politics.

“ALEC is a great organization,” Atkins said at the July 3, 2012, Heritage Foundation event, according to an audio recording available online.

In 2012, after the shooting of unarmed teenager Trayvon Martin in Florida, Coca-Cola, Kraft Foods Inc. and other businesses withdrew funding for ALEC. According to Atkins, the companies were reacting to attacks from Moveon.org and Color of Change, both liberal-leaning advocacy groups.

“This is part of a thing that we’ve seen this year where social activists, environmental groups and other sorts of gay rights groups and others — unions, state pension funds and even politicians — have been very open about what their goal is,” Atkins said at the Heritage event. “And that is to put pressure on corporations through the shareholder proposal process.”

He also referred to the scrutiny focused on Target Corp., which in 2010 apologized for contributing to Minnesota Forward, a group that gave money to gubernatorial candidate Tom Emmer, who opposed same-sex marriage.

“Corporations usually are weenies, and they don’t really want to be in a political fight,” Atkins said. “They often cave.”

Atkins made these comments during a discussion about shareholder proposals.

Though they are nonbinding, votes on such proposals can steer a company’s management toward a social cause advocated by the investor. In August 2015, Wal-Mart Stores Inc. said it would stop selling the AR-15 assault rifle, despite winning a court battle with a shareholder’s proposal seeking to rein in firearm sales at the retail giant.

“They do it all over the Fortune 500, which then gives them a megaphone of free publicity through the process and through harassment of the corporations, because then the management wants to negotiate with them to get rid of their proposal,” Atkins said at the event, referring to activist groups.

Using the shareholder voting process to push companies on social issues has been a common practice of progressive pension funds for unions. But the National Center for Public Policy Research, a conservative, tax-exempt group based in Washington, has also successfully adopted the technique.

Over the years, the SEC’s rules have been changed to benefit social activists, and that needs to swing back, he said.

“The next big fight is going to be over corporate governance rules and shareholder communications and how corporations interact with shareholders,” he told the audience. “Because right now the rules have really drifted way off to one side like I said between co-opting and disenfranchising. So I think it is going to have to be radically changed back.”

Labor unions will resist the rule changes, Atkins said. As their memberships decline, the unions are well aware of the tactical value the shareholder process gives them.

“This is their last power,” he said.