Yale SCHOOL OF MANAGEMENT
Program on Financial Stability

Lessons Learned Oral History Project Interview

Interviewee Name and Crisis Positions	Steven Adamske[1] Communications Director, House Financial Services Committee/Deputy Assistant Secretary for Public Affairs, U.S. Treasury Department
Interviewer Name	Mercedes Cardona (Contractor) Yale Program on Financial Stability
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<u>Introduction:</u>

The Yale Program on Financial Stability (YPFS) contacted Steven Adamske by email to request an interview regarding his time as Communications Director for the House Financial Services Committee under Chairman Barney Frank and his later work with the Treasury Department under Secretary Timothy Geithner.[2]

Adamske handled communications for issues including the Trouble Asset Relief Program (TARP), the auto industry rescue and the Dodd-Frank Wall Street Reform and Consumer Protection Act. After Dodd-Frank passed in Congress, he moved to the Treasury Department, where he served as a spokesman for Geithner and specialized in domestic finance issues such as the reform of Fannie Mae and Freddie Mac, the wind down of TARP and implementation of Dodd-Frank.

In 2011, Adamske became Director of Public Affairs at the Commodity Futures Trading Commission (CFTC) as it established rules to exert oversight over swaps markets. After serving four CFTC chairs, Adamske became VP, Head of Communications and Public Affairs at the Financial Industries Association.

[This transcript of a telephone interview has been edited for accuracy and clarity.]

<u>Transcript:</u>

YPFS: **What were you working on in 2008 as the global financial crisis was coming to a head?**

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[1] The opinions expressed during this interview are those of Mr. Adamske, and not those any of the institutions for which the interview subject is affiliated.
[2] A stylized summary of the key observations and insights gleamed from this interview with Mr. Adamske is available here in the Yale Program on Financial Stability's *Journal of Financial Crises*.

Adamske: My job at that time was the communications director for the House Financial Services Committee. This is what formerly was known as the Banking Committee in the House. Our jurisdiction oversaw all of the bank regulators, the Securities and Exchange Commission, and the various housing programs. So, we had housing as a part of our jurisdiction. My job at the time was to oversee all outward communications and to take incoming media calls, to promote what the committee was doing; when we scheduled a committee hearing, we would issue a press release on that, but also what my boss, the chairman of the Financial Services Committee, was doing his television appearances, op-eds that he was writing, speeches he was giving, etc.

I worked on the Democratic staff, which was in the majority at the time; there's obviously, a split between Democrats and Republicans. We also served as a conduit for media, media advice, talking points, etc., to the Democratic members of the committee. So that was my job.

Our first indication that something was going awry was in August of 2007, when two hedge funds that were tied to Bear Stearns in London failed, and people really didn't know why. At that point we waited for the guidance from the Federal Reserve and from Treasury on what was happening, but we could see over time as the economic situation in the United States and around the world started to deteriorate, coming a little bit more to a head in March of 2008 when Bear Stearns failed. The Fed went in and rescued that overnight at a very low share price, but that was the real kickoff to what happened in the fall of 2008.

A lot of what we were doing at that point was answering a lot of questions that were coming in: What are we doing? How are we doing it? We held hearings. We had the Treasury staff and the Federal Reserve staff come up and brief us on what was happening, what they saw.

We were also in the midst of passing a pretty major piece of legislation called the EESA or Emergency Economic Stability Act, which provided a bunch of things. It provided in part for a way to take Fannie Mae and Freddie Mac into conservatorship if there need be. So that's what I was doing at that point. Obviously, as events unfolded through 2008, the hours that we were putting into the office kept growing and growing and growing, culminating in when Fannie and Freddie failed in the late August, early September of 2008, and then obviously, the development of the TARP Act and the rest of the financial system going on hold.

YPFS: What was Treasury's position on communications? When the crisis broke, digital communications were expanding. We were making the transition from BlackBerrys to iPhones, and Twitter appeared probably in the middle of this crisis. As you went into the days of the crisis, what

was the debate about transparency in communications and the different constituencies that you had to address?

Adamske: I joined Treasury in 2010 after the Dodd–Frank Act was passed. When it came to Treasury and the Fed, what they were trying to do in my estimation, and this is just my opinion, was they were trying to make sure that they did not spook the markets, and that they did not cause a bigger crisis by saying, "We've got a big problem on our hands." If you go back, there was a hearing in the Senate conducted by Senator (Chris) Dodd after the Bear Stearns rescue. (Ben) Bernanke even up until that point was saying, "They think this issue was contained."

They were enormously afraid of contagion, this word that was come up with that never really entered the financial system very much before. They were worried about people pulling repo lines, people getting nervous about lending to each other, LIBOR rates exploding and making it more costly, having these things just happen organically when economic situations deteriorate. They were enormously worried about that, and we followed that to a certain degree through the winter and spring of 2008. We did not want to make the situation worse.

As to digital communications, obviously, Twitter was just about launching at that point in 2007. Exactly when they launched, I don't know, but I joined in 2008. Twitter and some of the other digital communications where rumors would get rampantly spread was not as prevalent as it is today, and thankfully. Thankfully, because this crisis in my opinion would have magnified a lot quicker and the rumor control would have been exceptionally different.

The one difference in that is CNBC. Now, I know that's not a digital communication, but the ubiquity of CNBC. Everybody had it on. They were on almost 24 hours. What was happening, they had guests on. They had regulators on. Barney Frank was on CNBC a lot. PBS Frontline did some stories about the crisis and some in-depth reporting, and they talked about the ubiquity of CNBC throughout this entire thing. They were a place where we could go to help calm the markets. They were a place to inform people, and that was a real change.

I'll tell you one little anecdote about this, how on top of it they were. Fridays in the Capitol are usually a pretty easy day. The members are gone. They're done voting on Thursdays. We don't have hearings. It's a good day to catch up. I got called by a CNBC producer. I don't know exactly when this was. It was probably in 2008 at some point, but not in the middle of the crisis. So, take that as a caveat. I was just sitting back in my chair and talking to the CNBC reporter and giving them a little information about this and that, and I looked up on the screen, because I had a big screen up on my wall, and what I was telling this reporter was scrolling on the bottom of this screen.. It was a reminder. It was a helpful reminder actually, because I didn't say anything all that bad, but it was a helpful reminder. These guys are on top of it.

Let me back up to Bear Stearns. That was the first obvious one. The foreclosure crisis started much before that, before that March of 2008, and we were hearings about large-scale foreclosures happening, and when people get foreclosed on. Those are individual middle-class, working-class individuals, and those are voters. We're hearing this from our members. We are starting to hear about credit card defaults. We're starting to hear about things happening on the Main Street side sooner than that. So, we knew that there was something bigger happening.

What I don't think we understood, as my boss Barney Frank used to say, "When it comes to finance, the ankle bone is connected to the shoulder bone." You had things that happened on Main Street that affect things that happened globally on Wall Street and in London, Frankfurt, Singapore, Hong Kong, etc. You had things that happened in those financial centers that affected people on Main Street and places like Las Vegas and Stockton, California and Phoenix and places where there were lots of foreclosures and credit card defaults. We were hearing a lot of this.

I would have approached communications 100% differently if we had the ubiquity of Twitter that we had now. We're doing this on January 8, 2021; two days ago, on January 6th, there was a domestic terrorist attack on the Capitol of the United States. I'm sitting here getting almost all my information from Twitter. From this crisis to the crisis in 2008, it's a sea change. We would have had to do communications differently and the popping down of rumor control, the whack-a-mole, if you will, of rumors that pop up is so much work now.

I'd had a communication staff of two. The Treasury had a communications staff of 20 when I went there. It's not that my boss didn't invest in that. It's just that we handled communications in a different way, which was just doing it. We just did it. My boss would call me and say, "I want to put out a statement." He would dictate it to me, including the punctuation, and I would type it up and send it out. There's no bureaucracy. There are no double checks on what we do.

YPFS: **Well, how would you characterize the government overall? Was there coordination? Should Treasury and the Fed had some kind of communications crisis plan for the government as a whole, tabletop exercises or what have you, prepared as you headed into the summer of 2008 and saw all these situations coming to a head?**

Adamske: The answer is yes. As to tabletop conversations like that disaster-type of exercises you go through, I'm not too sure that would have worked. I wish I would have had closer communications with Treasury when I was at the Financial Services Committee. We did pick up the phone and call them every once in a while. There was a lot of communication between the staffs, between our policy staff, which I was a member of, and the Treasury staff and Fed staff, letting us know what's going on. and Barney Frank talked often as did Ben Bernanke. He was the chairman of the Federal Reserve at the time; he and Barney talked regularly. I do think there should have been--and I lay myself a little bit at fault of this too--greater amount of coordination with the Bush team both in the White House and the Treasury.

We did have some, and I think that changed when Treasury proposed the TARP program. One of the most extraordinary experiences of my life is on September 16, 2008--it might have been the 17th. Lehman Brothers failed on Sunday the 14th. The 15th, it was announced it was not going to be a Fed rescue. This was going to be a moral hazard event. On the 16th, the next day, they had to go into AIG because they were collapsing. Wednesday (the 17th) was just chaos in the markets, and then Thursday, there was a meeting after markets closed with the congressional leadership and Ben Bernanke and Hank Paulson, me and three or four other press secretaries. They had an hour and a half meeting basically laying the foundations for the TARP bill, which was the Troubled Asset Relief (Program), which was the bailout of the financial system and stopping the bleeding of the financial system.

The administration and the congressional leaders brought the bunch of the press people for the last 25% of that meeting, so that we can all figure out what was going to be said. That was starting to go into the evening, but something had to be said to the press after that, so there was a press conference or a statement by the Speaker of the House and by the Treasury Secretary afterwards. And that was coordinated. I mean, that was very well coordinated. That was very well done by the Speaker's office and by the Treasury Secretary's staff.

YPFS: Was it challenging to get them all to focus on communications when they were in the middle of halting a widespread economic collapse? Did you need to worry about the optics of telling the public why you were doing what you were doing?

Adamske: The simple answer, no. My boss, who was Chairman Barney Frank, understood more than anything that you need to communicate, and you need to communicate forcefully. You need to communicate honestly and openly as to what we were doing. So, after that press event that I just talked about on the Thursday, there was this thing, and then Barney went out to a phalanx of press that had gathered in the Capitol, just this mob in Statuary Hall, and he talked to all of them. He knew instinctively.

I did not have to fight for him to be doing this. He knew instinctively, and our communications just ran with it. The next day and the days from that, he almost spent almost all his time in the House Gallery, which is where the press sits, and going back and forth between those two studios separated by a small hallway and some staff. He basically went back and forth, talked to CNBC, did a CNN interview, would go talk to Fox Business, would come back, and talk here.

We were just doing this a lot of it on the fly when that situation happened, but once that calmed down a little bit and we were able to focus on the TARP legislation, our communications became very direct. It became very clear what we needed to do. We had provided paper and communications to our members as to what we were doing and why we were doing it, and then we were also on CNBC a lot. CNBC was a ubiquitous element of all of this, and our digital communications weren't really on the radar screen at that point. In fact, the Financial Services Committee did not have a Twitter account during the crisis.

YPFS: **But Barney Frank was always a very media savvy, articulate legislator. Not all of his colleagues share that same ability or proclivity.**

Adamske: Correct.

YPFS: **So, in terms of dealing with the rest of the Hill, did you have to find yourself explaining the importance of getting the word out? Was there an extra effort as the legislation made its way through the Hill to explain how this would actually prevent a catastrophic collapse of the economy and save jobs and livelihoods?**

Adamske: Yes, there absolutely was. We did tons of interviews. We did message to say exactly that without this, this is going to get so much worse. People have a hard time believing that, and we're dealing with that a little bit in COVID. You can say, "Wear a mask. Wear a mask. Wear a mask," but until their family member gets sick, they just don't believe that that's going to happen to them.

We're dealing with this right now and saying that if we're not going to give $700 billion to the financial services industry in order to stop the bleeding, you're not going to work anymore. People are already losing their jobs. We were losing three or 400,0000 jobs a month. It was incredibly unjust, and it was incredibly unfair. So, we had to explain this over and over and over again.

Barney Frank was a funny guy, obviously, but he was enormously serious. He also used to say things like, "One of the problems with this messaging is that no one ever gets reelected saying, 'Boy, re-elect me.' Things would have really sucked if I wasn't there," and it's true, right? I mean, you're telling people that bailing out these companies is going to stop a larger economic panic. That didn't happen.

That didn't sink into people until the TARP legislation was defeated on the floor of the House on October 3rd. That didn't sink in with people until they saw the 700-point drop in the stock market. Within an hour, $1.4 trillion in middle class wealth wiped out. These are people's college savings funds. These are people's retirement accounts. These are people who are depending on that money. Even if it's only a few hundred dollars a month, they're depending on that money.

So, yes, the messaging was very clear. The points that we're making were very clear. I'm not too sure people bought it until they saw that. People were engaged too. That's the other interesting thing about this is that hasn't really gotten taken in.

When the speaker announced that we have the legislation ready to go, what happened is this: The Treasury Department came up and said, on a Saturday morning no less, "Here's the bill, It was basically three pages, and I had reporters and people and television news calling me up saying, "I only got first three pages." Well, that's all there was, and it basically was "authorize this month and appropriate this amount of money. We'll report back what we do with it."

It wasn't anything more elaborate than that. That's obviously not going to work for a legislative thing. So, we were putting in restrictions on executive compensation. We were putting in restrictions on what these companies could do. We were going to put in restrictions on warrants, meaning that we get paid back first before any other shareholder or any other government, I mean, the taxpayers. We were also splitting this into two $350 billion buckets, which doesn't really get reported that much, but we never sent the second $350 (billion) but never tapped.

Speaker Pelosi announced where you can find the bill, read it for yourself; she was live on CNN and CNBC. That afternoon, we crashed the entire House.gov system because she was saying, "You can read the bill yourself. Go on financialservices.house.gov." She said it numerous times, and people were so engaged that we crashed the entire house system. We had to find mirror sites, put the legislation on the Library of Congress and on the Congressional Budget Office where those things could roll over.

The House phone system was so overloaded that sometimes phone lines just rolled over to people's offices. There were so many calls. My phone would go off, and I'd pick it up. There'd be somebody from Overland Park, Kansas, pissed off as you can't believe, but I said, "I understand, ma'am, but it's going to get a lot worse unless we do this." It just didn't sink in. It didn't sink in until that TARP bill passed, including to members of Congress, including the people who are looking at this. This is their job to look at these bills. This is their job to look at the economic situation, and members who had previously said they would vote for it didn't. That bill failed. Well, history is a little bit different, but that messaging didn't sink in until you can see the real-time effects of what happened there.

YPFS: **Could there have been more of an effort to give talking points and fact sheets to the legislators so they could go back to their town halls and defend this legislation, make it more understandable to their constituents?**

Adamske: On the margins, we did all that, actually. We did all that. We met with members. We talked them through it. We handed out pieces of paper. We gave them language that they could put in their newsletters and in their emails.

There's a certain segment of the American public that believe there're aliens in Area 51. it's a small segment, but it's still a segment, and there's lots of people that we just saw in early January of 2021 who believe this election was stolen. It's not, and what we tried to do is to have your town meetings level with people. Don't say, "This is about this," but level with people. Be honest, be open. Tell them why we're doing this.

Some of those members were not going to come back. We knew that, but as leaders, our members knew we had to... We had to provide the evidence of that. We did do all those things. Would it have been more effective? Could we have done this? Could we've have had an independent expenditure doing ads? Could we have been doing this with groups? That probably would have helped a little bit on the margins, but given the amount of time and effort...

We were already working 16, 17 hours a day. I mean, I had a two-year-old at home that I didn't see for the month of September. If you've had kids, they grow, right? They change. They're saying words the beginning of September that they're not saying in September, especially when they're two, right? I don't know where the time would have come from to do that. We were just moving. We just had the throttle open the whole time.

YPFS: **Yeah, you were about to mention the incoming administration, and that's, I guess, another question there whether there was an additional level of difficulty that this entire crisis came to a head at the peak period of a presidential campaign. Was that also a consideration that it increased the level of difficulty in communicating?**

Adamske: No, it did not at all. I mean, we were moving at such a pace. The TARP bill failed on October 3rd. The Senate passed it I believe the next week, and then we came in and passed it. So, that then moved to the implementation phase by the outgoing Bush administration pretty quickly, and then once they said they were going to do direct infusions to banks, it made it more direct. The presidential campaign and the presidential transition and whatnot didn't really impact that at all. There were the theatrics about what (Presidential candidate) Senator (John) McCain tried to do with the White House and all that, but it really didn't affect us too much.

YPFS: How much longer did you stay at the Hill after the 2008 election?

Adamske: I stayed until July of 2010. What may also make that year 2008 even more interesting was in early November after the presidential elections, it became clear that two of the three major auto companies in the United States were going to fail. The Financial Services Committee because it has jurisdiction over loan guarantees that are issued by banks, did the Chrysler bailout in 1980. We did the XM gold sales for Third World countries. So, the "bailout authority," unless you're going to send direct appropriations, that's the jurisdiction of the Financial Services Committee. So, we went back into almost crisis mode in terms of building the case and building a piece of legislation to rescue the auto industry.

Those communications were a little bit more interesting because that was more direct. Those were American blue-collar jobs in suppliers and mechanics and people who put together cars, people who supply the cars, people who drive the cars, auto dealers. That was a much more direct piece of communication because it was American jobs. The bailout of the finance services world was a more diffused message about, "We need to do this in order to reduce foreclosures, in order to not have as many job losses." It was a more direct set of messaging that we're here to protect American jobs and give these companies a chance to compete on a worldwide stage with China, with Europe and Japan, etc.

That piece of legislation, if I remember correctly we passed it in the House, in early December., But there were objections to it in the Senate, mostly led by Senator Corker from Tennessee and by others, and they couldn't get it through the Senate. So, the TARP legislation that we passed had to be the basis for the auto industry rescue, and that was announced by President Bush in early December.

YPFS: Overall, how well-versed would you say were legislators and the administration on some of these more sophisticated financial concepts and instruments that were involved in the foreclosure crisis and in the

global financial crisis? Do they need to be educated about the mechanics of financial markets?

Adamske: Yes, but I will say it's an enormously difficult thing to do. You can have hearings on the Hill and briefings on the Hill on derivatives, and their eyes will glaze over. I mean, you're talking about members of Congress that got elected in inner-city St. Louis and rural Kentucky and in the great sand areas of New Mexico. They get elected saying, "Derivatives need to be regulated," and that depends on what they do. So yes, there needs to be better education about how those things happen, but the people who really specialize in this, the committee chairman, and the subcommittee chairman, they get highly specialized, and their staffs get highly specialized and versed in these things. So, there's a balance there.

A few people know a lot and a lot of people know a little, but at the same time, your average member of Congress doesn't know anything about the MX missiles and how they work, right? I mean, they have to learn that at some point to start to be able to fund those programs or not fund those programs and what they are, what they're doing. We did do a lot of that work. I remember when we passed out a glossary of terms to the caucus. The caucus meetings happened almost every night in the Hill at that time. We developed a glossary: "What is a residential mortgage-backed security? What is a commercial mortgage-backed security? What is a derivative? How do those things work?" That kind of thing. I should have passed it out to the press too because there's a whole lot of press people who didn't have any idea what they were doing, but I'm not too sure.

I mean, look, Hank Paulson was one of the smartest people I ever met. Tim Geithner was probably the smartest person I've ever met in my life and Barney Frank. These guys are really good. They know what to do. No one predicted the contagion that would happen when you have a lot of foreclosures, to the drying up of the over-the-counter derivatives markets. All of those pieces all the way through, all of those connected dots, weren't foreseen. So I'm not too sure even the most savvy sophisticated people in the financial services industry didn't see it so much that if the shoulder bone connected to the ankle bone, getting a break in your shoulder bone can affect you in the ankle bone. That doesn't happen in the human body. That's why it's an imperfect analogy, but it did happen in the financial services world, and people did not see that at all.

YPFS: At the time of the global financial crisis, you had news organizations flooding the zone with reporters who weren't necessarily experienced covering Treasury, or the Hill or financial services beefing up the ranks. Was that another situation where there might have been more education

to get them to understand these concepts and translate them for the public?

Adamske: Yes, I just don't know where the time would have come from. I really don't know. We could have press events and press conferences, press avails all the time. Even Barney would explain what we're doing, what's happening. I just don't know where that time would have come from. If you had done so ahead of time, I'd say two years before that, have a briefing on what derivatives are for the press, I'm not too sure many people would have shown up. That's the way that the news cycle is.

I will say one thing about the press in this regard though. First of all, the financial press--Bloomberg, Wall Street Journal, Financial Times, a few others--they were on top of it. They knew what they were talking about. Their questions were intelligent, and, while they didn't necessarily know the ins and outs of all the derivatives markets and residential-backed securities, they were on top of it. They knew how to do it, and there were editors who could sift through what they were hearing in order to make this coherent news. Now, when you have Twitter and Facebook, one of the things we're dealing with right now is that there's not an editing process. People can put up whatever they want. Whether it's aliens in Area 51 or feeling the election or anything else, there's not a filter.

That was one of the most important things about the news coverage that we did. There was a filter. There was an editor. There was somebody saying, "I don't think this is quite right. Follow up on it." I would have loved to have done more education with the press, but we were moving so fast and such on the fly. But thankfully, a lot of the financial press were there. They knew about it. They covered Wall Street. They consolidated. I mean, we were getting calls from Bloomberg all over the place. I had to have a call with one of their senior editors. I said, "You got to consolidate this a little bit. I can't get calls from 13 reporters covering every part of the different financial crises. Can you please consolidate this a little bit and help me out?"

But we had great participation from Jeremy Grant of the FT, from Alison Vekshin at Bloomberg News, many others. Albert Bozzo with CNBC and all the CNBC crowd that did educate themselves, and people were doing it.

YPFS: Moving down the timeline, Dodd-Frank passed, and you move on to a new agency. How was that transition?

Adamske: It was somewhat seamless. It's just a much bigger entity. You have more bureaucracy. You have many layers. To move a piece of paper out of the Treasury Department, you just have letters. You can do it within an hour, but there's just layers that have to look at it and people have to be available.

I stayed at the Financial Services Committee through 2009 and 2010 while we wrote what eventually became Dodd-Frank. In this way though, what we were talking about earlier, on the passage of Dodd-Frank and the development of it and the ups and downs and everything, we were very coordinated with Treasury. If you have not talked to him and you want to talk about communications on that side, I would recommend you talk to Andrew Williams who is with Goldman Sachs now, but he was Tim Geithner's communications lead during the crisis in 2007 and '08.

He moved to the Treasury Department after the inauguration of President Obama, and I replaced Andrew when Dodd-Frank passed. He went back to New York as his wife is in the fashion industry, so they moved back to New York, and I took his job as a Deputy Assistant Secretary for Public Affairs and Treasury largely on the domestic finance side to implement Treasury's participation in Dodd-Frank Act.

YPFS: **How were communications at Treasury when you joined?**

Adamske: They were good. It's an interesting thing. Most of the independent banking agencies, the SEC and the Commodity Futures Trading Commission were largely responsible for implementing Dodd-Frank. Treasury is a ministry of finance. It is a convener. It is a place where we talk about big macro policies and work with individual regulators on where they're going with these regulations. What I thought was going to be at the time a very big implementing role was a coordinating role, and it was hard after Dodd-Frank passed to continue the drumbeat of why we passed Dodd-Frank. The administration was ready to move on. I tried at that point to get Secretary Geithner and others to be more proactive.

We did establish the Financial Services Oversight Council, which is the collection of regulators called for in the Act, which breaks down barriers so, when there's a crisis, they can meet, and they can across agency figure out better what to do. We did stand that up, and that's been a success.

After about a year of Treasury I eventually moved over to the Commodity Futures Trading Commission that was implementing all the derivatives portions, title VII of the Dodd-Frank Act. In that regard, we had a major communications challenge. I'll be perfectly blunt about it. There is nobody in this country, with the exception of a select few, who want to have a conversation about derivatives. What are they? Who are they? Who cares about them? I was fortunate to be hired by a very effective communicator named Gary Gensler who understood the fact that we have to make the public case for this. Derivatives are esoteric financial instruments that companies use to hedge risk in the marketplace. They're swapping the risk. That's why they're called swaps. The futures market is more commodity-based.

We had to make the public case in order to be able to have tough regulations. Even though we had the law behind us, there still is a regulatory process where things can get really, really, really strict, or they can get really, really, really soft. That's a regulatory process you go through. You go through notice and comment, and 90% of the comments are coming from financial entities who are saying, "Hey, don't do this. Don't do this. Do this," and by law, you have to take all those comments and then produce a final rule. Our charge at the CFCC was to pass 65 rules to implement the Dodd-Frank Act and bring over-the-counter derivatives onto a regulated rulebook for the first time.

The futures market has been regulated for years and has performed quite well. The futures exchanges, the margin that's collected, all of the safety mechanisms that are built into the futures market performed perfectly well during the financial crisis. It's the swaps market, the unregulated OTC credit default swaps we heard a lot about that were major, major problems in the financial crisis. We had to go out and say this message over and over again. That made million people lost their jobs. This is a crisis that was created by financial companies, but it had real world effects. If we didn't go and say that over and over and over again on television and speeches, et cetera, that this crisis cost eight million jobs. It cost three to four million foreclosures, people losing their homes. Retirements were delayed. College savings were tapped. This had real world impact, and if we didn't make those message points, and we did it over and over and over again on television, in congressional hearings, etc., I'm not too sure that the regulations as they are now, as tough as they are now, would have been that strong.

YPFS: **But then again, the crisis left this legacy of distrust of the financial system that we saw later in the Occupy movement, and we're seeing it again in the response to the COVID emergency that exploded on Jan. 6. So, what can we do before the next crisis, to apply some of the lessons of 2008?**

Adamske: It's interesting you say that. I did a podcast with a few people who were part of the financial crisis, and we were commenting on a lot of these questions. Number one don't hide. You need to be open and honest about how bad it's going to be. If you're talking about COVID, if you're talking about the presidential messaging and the march and everything else, you cannot sugarcoat anything. You can't downplay anything. Oftentimes when there's a crisis, you get one shot to say, "Hey, this is the way it's going to be and prepare yourself," and when the President is saying it and other people are saying it, etc., be open, be honest, and have a plan for not just how you're going to communicate it, but what you're going to do.

You need to have something you're going to do, and then you communicate that and then relate it to people. This has to be relatable to voters. This has to be relatable to homeowners. It has to be related to parents. There's a reason why every news story on the front page of the New York Times and other dailies around the country starts off with how it affects people. What are they doing? When so-and-so walked out of their house today on whatever lane in America, something happened. I mean, it's relatable to people. It has to be communicated, but it also has to be relatable to people in such a way, and you have to also lead by example. You can't tell people to wear a mask and not wear them. You just can't do that.

So, that would be that would be my advice is if you have a crisis, get the information out, decide what you're going to do, don't hide. Talk it through. Tell people. Make it relatable to voters and to middle-class people, working-class people out there. There's a lot that people will do. There's a lot that people will understand.

The other thing I would say is going forward, there's going to have to be some regulation of Facebook and Twitter. I wouldn't have thought of that a few years ago, but the amount of misinformation out there, the amount of conspiracy theories that just get passed around there has to be some. I don't know exactly what it is or how to do it, but there has to be some regulation with that. There's just too much misinformation.

We're in a situation now where even if you do all the things right--You're relatable. You're doing the things. You're getting the information out. You have a good action plan. You're communicating it often. You're telling people what to do. You're leading by example--there's going to be a certain segment who are on these platforms that are spreading this information. We're seeing that in Anti-vaccination (sentiment). We're seeing that with some education things. Up until the last few years, that's always been a small minority of people. I started off talking about the small number of people who still believe there's aliens in Area 51. That can now be a massive, massive group of people.

So, there has to be some regulation of these two companies and social media platforms so that this information that's going to save people's lives, information that's going to impact their lives can get out there and can be believed.

YPFS: **And yet, during your time at Treasury, there was this whole debate about transparency at Treasury and you came down with some ideas in the Treasury Notes Blog. Where do you draw the line on transparency when it comes to the actions of the Treasury and the government in general?**

Adamske: I think that I'd have to go back. I made a few of those blog posts, right? I have to go back and look at them. That's ancient history now. What did I say? Did it make sense?

YPFS: **You said that transparency was a great thing, but that there's always some private information that Treasury wants from companies to judge their viability that they may not want to have out there in the world.**

Adamske: It's always a balancing act, of course. I deal with media almost every day who want access to information. They want greater amounts of transparency, etc. The most untransparent organizations in the country are news organizations. They have editorial meetings every day. They decide what is going to be news. They send their reporters out to do it. They send their reporters out to do follow-ups. They ditch stories that aren't interesting enough. It's a ditching dichotomy.

I worked at a regulatory agency for seven years, and we had coming into us the daily trading data of every trade, every company that's in the futures market. We started to post every derivative trade, swap trade, the price and volume of that. We started a commitment of traders, a report every week but it's all aggregate data. It's always going to be a balance, and I'm not too sure where the balance needs to be drawn. I'm always more of a "more is more," right?

There's going to be some proprietary information that can't get out that we're going to have as a regulatory agency, but we need to be open. We need to be transparent. People need to know what's going on. Right now, via the internet, you can go on and look at the price of every stock trade. You can see what the price is. It's right there, open. It's on TD Ameritrade. It's on Robinhood. It's on Yahoo Finance. You can look at it. You can look at where the bond prices are, etc. That kind of transparency is very, very good. It's changed the way everybody buys everything. Nobody buys a car by going to the dealers now. They look on the sites, right? How much is this priced? How much is that priced?

It's always, always, always a difficult thing to be a communicator and get paid to do communications. When the boss is above you: "You can't say this out loud, or you can't say this kind of thing at all, and you have to work almost every day to make sure that they understand." You have to internally communicate, and you have to externally communicate. They understand why this is. Obviously, not national security secrets and all the other things we deal, but you do have to move that stuff out the door. If you want to make an impact on that, if you want to implement these policies, then you're going to have to communicate it and communicate it effectively.

YPFS: **I believe it was during your tenure that they relaunched the Treasury website, and they launched the Treasury Notes Blog. So, it seems like there was some effort to explain the actions of the Treasury to the public in some way.**

Adamske: Yes, absolutely. The blog was put there for a couple of different reasons. One is that just about any time a press release goes out from the Treasury Department, it's going to get picked up by a reporter, and we're going to write on it. What they're going to do is they're going to filter out some of the nuance that we put in those releases and those remarks, and they're going to get comment from other people. We're going to say, "Hey, this is great," and somebody else is going to say, "This isn't great," right? Which is the nature of the news business.

So, the Treasury Notes Blog and other blogs that I've been a part of was an effort to explain more fully what it is we're doing. When I was there, we did what Dodd-Frank meant to small banks, and that was a big part. Our messaging in that regard is why did that. The blog was there so we could, without a media filter and in longer form too, explain what the Treasury's doing and why we're doing it.

YPFS: Looking at the similarities between the emergency we're living now and what we went through in 2008, are there any lessons from 2008 and '09 that you think would apply to today's COVID response?

Adamske: I guess they missed the opportunity in March to say, "This is going to be bad, and you need to pay attention to it." I think they had a small window of opportunity to say, "This could be a very serious problem. You need to take this seriously." The lockdown that we went into in March that we're still more or less into could have been much more effective in pushing down the positivity rate if we had led by example. If the president had not downplayed it and said, "We're not going to open up by April 15th. It's going to go away." You don't get those things back, and I think the incoming administration they ran their campaign distantly. They traveled less. They wore masks all the time.

I'm not just saying this is a partisan thing. I'm saying that there is a certain level of you have to lead by example. So, the incoming administration, I hope they do a couple things. One: effectively tell people where we are and what we have to do to get out of it and (two) get the vaccine rolled out: Who gets it, where is it going, how many doses are there, everybody above the age of 80 by a certain time. Effectively start to lay these things out and these milestones and hold themselves accountable for it. Those are difficult things to do. When I was at Treasury and there was a foreclosure program that the president promised we were going to save three to four million homeowners. That never happened.

You need to be careful about how you can do it, but I think setting out some goals, setting up milestones, working toward those milestones, effectively communicating to people on an individual basis through the social media channels--through YouTube, TikTok, other kinds of ways that we all communicate now in addition to the national media that covers them. And I hope it works.

YPFS: **Just summing up then, if you were to write a memo to your younger public servant self, what would be your top line points? What would you tell yourself to do more of and do less? Or just not do at all and should have done this instead?**

Adamske: Yeah, I think that greater coordination between the administration and the House was probably the thing that lacked when we were going through the financial crisis from about March of 2008 all the way through. On the communications side, and there was some communication, but there should have been a weekly call or a daily call: "Who are you hearing from? What's going on? How do we beat down this information? What are you saying? What are we saying?" I bear responsibility for that, but that should have been more fully (developed) We coordinated well between House and Senate. We coordinated well within the House, the Speaker's office, Majority Leader's office, etc., Keeping people apprised of what was going on. But I think greater amounts of Capitol Hill and downtown coordination was much, much better.

I wish we would have had an opportunity to do more work with reporters on making it more relatable to middle class people. It was hard. We were doing things on the fly and maybe bringing some folks from the outside would have helped. If I had another person or two, I would have been able to produce more paper for our members, more paper for what's at stake, and given me time to do more messaging, rather than just rolling up my sleeves and doing the work. I don't have a problem rolling up my sleeve and doing the work. I do it every single day, but I wish we would have invested a little bit more resources in that regard.

But at the same time when that crisis hit, I mean, we were on the throttle the entire time, and it's really hard to produce in that perspective. We were working 14-16-hour days seven days a week. It was hard to come up for air at times. So, I would say those things.

If I can look back, and I love Barack Obama, but I wish the Obama administration, once Dodd-Frank was passed, would have continued the communications push on the implementation, talking about it more. They just moved on, and that was an unfortunate missed opportunity. I would have done that all over again.

YPFS: **There's a number of people who have said something similar, that maybe we gave up too soon on the stimulus and on the efforts to fight the financial crisis and that's why the recovery was long and labored. Everybody took their eye off that ball and started moving the healthcare**

reform ball down the field instead and that maybe should have been more attention.

Adamske: Yeah, that is true. That is true. We got out ranked.

They did not make the case for Dodd-Frank. They weren't traveling the country making the case for Dodd-Frank as we were passing it. We passed it on the strength of the members coming together and understanding the gravity of what happened in 2008 and in 2009, 2010 passing a major bill. But we had no air cover from Treasury even though we asked for it. We had the president saying, announcing the Volcker rule every once in a while, but there was not a sustained path.

YPFS: We are seeing a similar debate now with the COVID stimulus bills. Was that idea of incrementalism in stimulus instead of going big straight off the bat perhaps a missed lesson from 2008?

Adamske: I'm not too sure a $1.5 trillion bill would have passed. I think we're a little bit beyond that in today's world but going over the T word was I think too difficult. It was "Go for as much as you can get right now and then see what happens after that." I think they know that, but we wish the stimulus had been bigger, or they would have made a bigger case for a second stimulus. I think everybody just crossed their fingers and said, "Hope this is enough." It wasn't, but I'm not too sure of the appetite either on the administration side or the congressional side to go back for that, another bite at that apple.

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