



Written by [Thomas R. Eddlem](#) on November 17, 2011

Gingrich Trained Lobbyists for Freddie Mac; Paid at Least \$1.6 Million

Gingrich, asked how he earned some \$300,000 in consulting fees with Freddie Mac in a November 9 presidential debate, said his role was to offer advice as an “historian.” Moreover, Gingrich denied acting as a lobbyist and claimed to advise the mortgage giant to end their practice of guaranteeing sub-prime mortgages. Freddie Mac and its sister organization, chartered by Congress, fueled the housing bubble in the last decade. “My advice,” Gingrich [said](#) in that debate, “I said to them at the time, this is a bubble. This is insane. This is impossible.”



The Bloomberg [report](#) countered Gingrich’s debate claims about his dissent from Freddie Mac’s policies. “None of the former Freddie Mac officials who spoke on condition of anonymity said Gingrich raised the issue of the housing bubble or was critical of Freddie Macs business model.” Gingrich [told](#) Bloomberg that he “offered them [Freddie Mac] advice on precisely what they didnt do,” but it’s unclear during which stint as a counselor Gingrich offered this advice, if he offered the advice at all. Gingrich [worked](#) for Freddie Mac as a consultant from 1999-2002 and 2006-07 and his consulting firm, The Gingrich Group, earned between \$1.6 million and \$1.8 million in consulting fees.

Moreover, Bloomberg’s sources [describe](#) Gingrich’s role less as serving as historian and more as training lobbyists and providing personal contacts to lobbyists. “His primary contact inside the organization was Mitchell Delk, Freddie Macs chief lobbyist, and he was paid a self-renewing, monthly retainer of \$25,000 to \$30,000 between May 1999 until 2002, according to three people familiar with aspects of the business agreement.” Gingrich [announced](#) November 16 while on the campaign trail that he had offered “strategic advice” to the mortgage giant.

An Associated Press [report](#) November 16 corroborated much of the Bloomberg account, noting that Gingrich’s role was to win Republican support for Freddie Mac. Most Republicans wanted to rein in the mortgage giant (and its sister company, Fannie Mae) during the housing bubble to prevent the federal government from being on the hook for a bailout. “Four people close to Freddie Mac say he was hired to strategize with his employer about identifying political friends on Capitol Hill who would help the company through a very difficult legislative environment. All four people spoke on condition of anonymity to be able to discuss the personnel matter freely.” AP went on to [say](#) that Gingrich’s role was a small part of a larger effort to influence Republicans on Capitol Hill. “Gingrich’s hiring was a small but because of his name, important piece of a much larger initiative by the company.... Internal Freddie Mac budget records show \$11.7 million was paid to 52 outside lobbyists and consultants in 2006, all of them former Republican lawmakers and ex-GOP staffers. Besides Gingrich, the hires included former Sen. Alfonse D’Amato of New York, former Rep. Vin Weber of Minnesota and Susan Hirschmann, the former chief of staff to ex-House Majority Leader Tom DeLay, R-Texas.”



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Gingrich ditched his former employer as he groomed himself for a presidential run, [telling](#) Fox News September 29, 2008 that “what you have today is that the rich in Wall Street and the powerful at Fannie Mae and Freddie Mac had so many politicians beholden to them that, in fact, nobody was going to check them. And so they got away with things that were absolute bologna, and it’s a tragedy.”

In essence, Gingrich complained publicly in 2008 about the same political control over Congress by Fannie and Freddie that he was paid to help lobbyists to build in private.

Other presidential candidates smell political blood and are going in for the kill on the Freddie Mac issue. Rep. Michele Bachmann [told](#) CBS News that “whether former Speaker Gingrich made \$300,000 or whether he made \$2 million, the point is that he took money to influence senior Republicans to be favorable toward Fannie and Freddie. While he was taking that money I was fighting against Fannie and Freddie.” Bachmann’s comments come on the heels of her [new presidential campaign ad](#) accusing rivals of falling short in their conservative credentials, in which Gingrich is attacked for partnering with Nancy Pelosi on global warming and creating the idea of the individual healthcare mandate used by Mitt Romney in Massachusetts in 2006 and Obama nationally in 2010.

Photo of Newt Gingrich: AP Images



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