GOLDMAN SACHS GOES ON A MUPPET HUNT

Goldman Sachs is scanning internal emails for use of the term "muppet" to refer to clients as well as other evidence that employees referred to clients in derogatory ways. In the wake of the public resignation of 32-year-old banker Greg Smith, Goldman Sachs, is conducting a companywide e-mail scan looking for the word muppets and other derogatory terms. While the Muppets are associated with, children's favorites, Jim Henson's furry creatures (such as Miss Piggy), the word is apparently slang in the United Kingdom, for "stupid people" or someone as easily manipulated as a puppet, and who is unable to do anything unless his strings are pulled. Notably, Greg Smith worked in the Goldman Sachs London office. Goldman has been interviewing Smith's co-workers and immediate superiors, who had disagreements with a new boss after some management changes in the firm's London office operations. The attempt being to determine whether there were disputes or specific incidents that led to his drastic action, "It makes me ill how callously people talk about ripping their clients off," Smith wrote. "Over the last 12 months I have seen five different managing directors refer to their own clients as 'muppets,' sometimes over internal e-mail." Firms like Goldman have dedicated staffs that monitor employee communications for compliance and other reasons. Goldman Sachs Group Inc. has since been scouring emails and other internal communications for evidence of workers using derogatory comments about clients. "We take the concerns of our employees seriously and that is why we have looked into the allegations Mr. Smith made," a spokesman in New York said. This is not the first time Goldman has had to deal with potentially damaging e-mails. A famous 2010 exchange between Senator Carl Levin, a Democrat from Michigan, and Goldman CFO David Viniar, Levin waved an e-mail printout from a Goldman trader describing a particular deal as "sh*tty" . When asked for his reaction Viniar said, "I think that's very unfortunate to have on e-mail." The cynical view that this scan is little more than a dog and pony show, strategically leaked to the press in order to convey the impression that Goldman gets it and is determined to root out the rotten apples Smith wrote about. Rather akin to Lady Macbeth launching an inquiry to find out who committed the murder that she herself had directed, or Captain Renault seeking to find out whether gambling was taking place in Rick's café in Casablanca is the a more interesting question. Is the goal of the goal of the muppet search about finding out whether staff had ever referred to clients as "muppets" in corporate email so as to identify and punish offenders or is it to show that Goldman is taking Smith's charges "seriously". Or, maybe, is it a continuing effort to frighten Goldman staff into being more discreet in what they write in corporate emails?