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Are These Stories Examples Of Washington Corruption?

July 29, 2010 - 2:27 pm

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The "appearance of impropriety" is often considered the Washington standard for corruption and misbehavior. With that in mind, alarm bells began ringing in my head when I read this Washington Times report about Jacob Lew, Obama's nominee to head the Office of Management and Budget. Why did Citigroup decide to hire a career D.C. political operator for $1.1 million? As a former political aide, lobbyist, lawyer, and political appointee, what particular talents did he have to justify that salary to manage an investment division? Did the presence of Lew (as well as other Washington insiders such as Robert Rubin) help Citigroup get a big bucket of money from taxpayers as part of the TARP bailout? Did Lew's big $900K in 2009 have anything to do with the money the bank got from taxpayers? Is it a bit suspicious that he received his big windfall bonus four days after filing a financial disclosure? Read this blurb from the Washington Times and see if you can draw any conclusion other than this was a typical example of the sleazy relationship of big government and big business.

> President Obama's choice to be the government's chief budget officer received a bonus of more than $900,000 from Citigroup Inc. last year -- after the Wall Street firm for which he worked received a massive taxpayer bailout. The money was paid to Jacob Lew in January 2009, about two weeks before he joined the State Department as deputy secretary of state, according to a newly filed ethics form. The payout came on top of the already hefty $1.1 million Citigroup compensation package for 2008 that he reported last year. Administration officials and members of Congress last year expressed outrage that executives at other bailed-out firms, such as American International Group Inc., awarded bonuses to top executives. State Department officials at the time steadfastly refused to say if Mr. Lew received a post-bailout bonus from Citigroup in response to inquiries from The Washington Times. But Mr. Lew's latest financial disclosure report, provided by the State Department on Wednesday, makes clear that he did receive a significant windfall. ...The records show that Mr. Lew received the $944,578 payment four days after he filed his 2008 ethics disclosure.

Lest anyone think I'm being partisan, let's now look at another story featuring Senator Richard Shelby. The Alabama Republican and his former aides have a nice incestuous relationship that means more campaign cash for him, lucrative fees for them, and lots of our tax dollars being diverted to moochers such as the state's university system. Here are some of the sordid details.

> Since 2008, Alabama Sen. Richard Shelby has steered more than $250 million in earmarks to beneficiaries whose lobbyists used to work in his Senate office — including millions for Alabama universities represented by a former top staffer. In a mix of revolving-door and campaign finance politics, the same organizations that have enjoyed Shelby's earmarks have seen their lobbyists and employees contribute nearly $1 million to Shelby's campaign and political action committee since 1999, according to federal records. ...Shelby's earmarking doesn't appear to run afoul of Senate rules or federal ethics laws. But critics said his tactics are part of a Washington culture in which lawmakers direct money back home to narrow interests, which, in turn, hire well-connected lobbyists — often former congressional aides — who enjoy special access on Capitol Hill.

Some people think the answer to these stories is more ethics laws, corruption laws, and campaign-finance laws, but that's like putting a band-aid on a compound fracture. Besides, it is quite likely that no laws were broken, either by Lew, Citigroup, Shelby, or his former aides. This is just the way Washington works, and the beneficiaries are the insiders who know how to milk the system. The only way to actually reduce both legal and illegal corruption in Washington is to shrink the size of government. The sleaze will not go away until politicians have less ability to steer our money to special interests - whether they are Wall Street Banks or Alabama universities. This video elaborates on this hypothesis.

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