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The Dirty Dozen

Meet the bankers and brokers responsible for the financial crisis - and the officials who let them get away with it

Posted Mar 25, 2009 8:40 AM



The Enabler ALAN GREENSPAN

WAS Chairman of the Federal Reserve (1987-2006)
WHAT HE DID Pushed for sweeping power to regulate Wall Street — and then failed to use it. Fueled "irrational" bubble with low

interest rates.

WORST MOVE Called derivatives like CDOs "extraordinarily useful"; regulating them would be a "mistake."

NOW ADMITS He was "partially" wrong to not impose tougher oversight.



The Pioneer SANDY WEILL

WAS CEO of Citigroup (1998-2003)
WHAT HE DID Created the first too-big-to-fail company, Citigroup. Led the boom in subprime mortgages.
RECENTLY Celebrated \$45 billion taxpayer bailout of Citi by taking Mexican vacation on Citigroup jet, complete with \$13,000 carpets, pillows made from Hermès scarves, and Baccarat crystal glassware.



The Ideologue PHIL GRAMM

WAS Senate Banking Committee chair (1995-2000)
KNOWN AS "High priest of deregulation"
WHAT HE DID Pushed repeal of Glass-Steagall Act, leading to rise of megabanks.
WORST MOVE Wrote law that exempted disastrous CDS deals from all regulation.
NOW ADMITS Nothing. Says there is "no evidence" his laws caused crash, which he dismissed as a "mental recession."

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The Arsonist
JOE CASSANO

WAS Chief of AIG Financial Products (2001-2008)
WHAT HE DID Blew a \$500 billion hole in fabric of the universe by placing massive bet on the bubble economy with money he didn't

have.

WORST MOVE In August 2007 told investors his CDS deals could not lose even "\$1"; lost \$352 million that quarter.

NOW Enjoying his \$280 million in earnings.



The Bagman
ROBERT RUBIN

WAS Treasury secretary (1995-1999)

WHAT HE DID Opposed regulation of credit swaps; fought to overturn Glass-Steagall Act, leading to creation of Citigroup, where he later made \$115 million.

WORST MOVE Asked Treasury to pressure ratings agencies to delay downgrading Enron, a Citigroup debtor.

NOW Still on Citi's board; mentor of Treasury Secretary Geithner.



The Card Shark
JIMMY CAYNE

WAS CEO of Bear Stearns (1993-2008)

WHAT HE DID Took card-playing vacations and allegedly smoked weed while Bear went bankrupt.

WORST MOVE Cashed out his \$61 million share after resigning shortly before Bear's sale to J.P. Morgan Chase.

NOW SAYS Of Treasury Secretary Geithner: "The guy thinks he's got a big dick. He's got nothing, except maybe a boyfriend."



Mr. Buck Passer
CHRISTOPHER COX

WAS Chairman of the SEC (2005-2009)

WHAT HE DID Gave the market a free ride, waiting until far too late to reverse the disastrous "voluntary regulation" program of

2004 and police the ratings agencies.

LAME EXCUSE Insisted it wasn't his fault, claiming deregulatory policies tied his hands.

NOW SAYS His "greatest contribution" during the crisis was staying "calm."



The Predator
ANGELO MOZILO

WAS Head of Countrywide Financial (1969-2008)

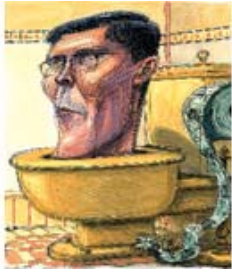
WHAT HE DID Biggest provider of subprime mortgages; specialized in predatory loans that



put broke people in mansions.

WORST MOVE "Friends of Angelo" program gave favorable mortgages to Sens. Chris Dodd and Kent Conrad.

NOW SAYS Called plea from homeowner facing foreclosure "disgusting."



The Decorator

JOHN THAIN

WAS Chief of Merrill Lynch (2007-2009)

WHAT HE DID Concealed \$15 billion hole in Merrill balance sheet until government subsidized the sale of his company. Went skiing in Vail just before revealing losses.

WORST MOVE Proposed \$10 million bonus for himself as company imploded; OK'd \$1.2 million office refurbishing.

IS NOW Facing class-action suit for concealing losses.



The Maestro

HENRY PAULSON

WAS CEO of Goldman Sachs (1999-2006); Treasury secretary (2006-2009)

WHAT HE DID Pushed for end to debt restrictions for banks like Goldman, then arranged big

bailout for Goldman.

WORST MOVE TARP proposal just three pages long; made his decisions "non-reviewable."

NOW SAYS "I don't think we've made mistakes on the major decisions."

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The Big Loser

DICK FULD

WAS CEO of Lehman Brothers (1993-2008)

WHAT HE DID Piloted Lehman to largest bankruptcy in U.S. history; earned \$22 million the year firm went bust.

WORST MOVE Tried to avoid lawsuits by selling his \$13 million Florida home to his wife for \$100.

NOW SAYS Feels "horrible" about Lehman, but insists his management was "prudent and

appropriate."



Mr. Too Big

KEN LEWIS

IS CEO of Bank of America (2001-present)

WHAT HE DID Created ultimate too-big-to-fail company, buying up Fleet, MBNA, Countrywide and Merrill Lynch.

WORST MOVE Failed to catch a \$15 billion loss at Merrill before buying the firm; needed \$20 billion bailout to close deal.

NOW SAYS It's a false "claim" to say "the banks that caused this mess must be held

accountable."

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Illustrations: Victor Juhasz.

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