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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

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## 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."



### **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

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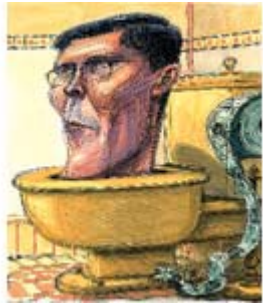


**WAS** Head of Countrywide Financial (1969-2008)

**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.

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## 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."



## 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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