

BIG SHITPILE DATA POINT

Last week I noted that Tommy K, Duke Cunningham's briber, dealt at least \$50 million of his fraudulent mortgages to one of the companies buried deepest in the mortgage meltdown shitpile, Washington Mutual. I'm not suggesting that WaMu **knew** they were buying up Tommy K's greek shitpile—though I do suspect that the same things that enabled WaMu to create its own corner of the shitpile (like lax oversight) made them an easy mark for a guy like Tommy K.

But the coincidence got me wondering: I wondered whether WaMu had been similarly bilked by others. And who were the other companies getting cheated in mortgage fraud leading up to the explosion of the shitpile?

So I decided to check the other politically-tainted mortgage fraud case, that of Democrat Katheryn Shields in Missouri. The day before she filed to run for Mayor of Kansas City, Shields and her husband got indicted for mortgage fraud by none other than Brad Schlozman, who replaced Todd Graves after he refused to take bogus cases against Democrats. Shields and her husband were recently acquitted of the charges.

As it turns out, it wasn't WaMu that got stuck with the over-valued mortgage after Shields sold her home. But it was another of the mortgage companies stuck deep in the shitpile: Fieldstone Mortgage, which just filed for bankruptcy.

Mind you, I doubt this means the mortgage companies were in on the fraud. Rather, I suspect that Fieldstone, like WaMu, may have been pushing to over-value mortgages. Which is how you end up getting buried under the shitpile. So, for the moment at least, this data point remains a curiosity.

But it does make you wonder: were federal prosecutors seeing the same mortgage companies

get bilked over and over? Because if they were, you'd think they might warn the rest of us about the lax appraisal standards employed by those companies.