

DODD AND CONRAD: THE APPEARANCE OF IMPROPRIETY

Both Connecticut's Chris Dodd and North Dakota's Kent Conrad steadfastly deny any knowledge or fact of preferential treatment in their real estate loans from Countrywide Mortgage, but the fact the story keeps hanging around is disquieting. And apparently it has been doing quite a bit more than hanging around, there have been hearings and testimony. From MSNBC:

Despite their denials, influential Democratic Sens. Kent Conrad and Chris Dodd were told from the start they were getting VIP mortgage discounts from one of the nation's largest lenders, the official who handled their loans has told Congress in secret testimony.

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The next day, Feinberg testified before the Senate Ethics Committee, an indication the panel is actively investigating two of the chamber's more powerful members

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Both senators were VIP borrowers in the program known as "friends" of Angelo. Angelo Mozilo was chief executive of Countrywide, which played a big part in the foreclosure crisis triggered by defaults on subprime loans. The Calabasas, Calif.-based company was bought last July by Bank of America Corp. for about \$2.5 billion.

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Countrywide VIPs, Feinberg told the committees, received discounts on rates, fees and points. Dodd received a break when Countrywide counted both his Connecticut and Washington homes as primary owner-occupied residences – a fiction, according to Feinberg. Conrad

received a type of commercial loan that he was told Countrywide didn't offer.

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Two internal Countrywide documents in Dodd's case and one in Conrad's appear to contradict their statements about what they knew about their VIP loans.

First off, let's be clear, there has been no finding of wrongdoing as to either Dodd or Conrad. Secondly, even if it were to be all true, it does not look like the benefits were particularly valuable monetarily. Still, it is tiring seeing the constant privileged status our elected officials in Washington claim for themselves.

These are two critical Senators for the Democratic majority, and here we are in the biggest legislative struggle perhaps in decades over healthcare reform talking about their ethical propriety. It is not helpful. I don't care if the two Senators' gain was penny ante in the long run, it is the fact they were brazen enough to think it okay to take a little cut. Because as members of the "world's greatest deliberative body" they from all appearances simply felt entitled. Like Kobe Bryant and Ben Roethlisberger, even if they are totally innocent, the mere fact that they allowed themselves to be placed in such a position speaks ill.

It has, at a minimum, the appearance of impropriety and, right now, that is too much.

Enough.