

OFF-SEASON TRASH: WHO WILL BE THE FIRST CORRUPT LEADER TO BE OUSTED?

✖ I'm starting a pool: Who will be the first top leader to be ousted for his role in a corruption scandal?

Will it be **A, Pope Ratzinger**, for sending a pedophile priest for the "gay cure" then back to working with children rather than to prison back when he was an Archbishop?

A widening child sexual abuse inquiry in Europe has landed at the doorstep of Pope Benedict XVI, as a senior church official acknowledged Friday that a German archdiocese made "serious mistakes" in handling an abuse case while the pope served as its archbishop.

[snip]

In Munich case, a priest from Essen, "despite allegations of sexual abuse, and in spite of a conviction – was repeatedly assigned work in the sphere of pastoral care by the then-Vicar General Gerhard Gruber," who worked under Benedict when he was the archbishop.

The priest, identified only with the initial "H," was moved to Munich in January 1980, where he was supposed to undergo therapy, a decision that was taken "with the approval of the archbishop," according to the archdiocese's statement. Benedict was archbishop of Munich from 1977 to 1982.

Or will it be **B, Timmeh Geithner**, for helping Dick Fuld defraud investors?

Well, it is folks, as a [pdf] newly-released examiner's report by Anton Valukas in connection with the Lehman bankruptcy makes clear. The unraveling isn't merely implicating Fuld and his recent succession of CFOs, or its accounting firm, Ernst & Young, as might be expected. It also emerges that the NY Fed, and thus Timothy Geithner, were at a minimum massively derelict in the performance of their duties, and may well be culpable in aiding and abetting Lehman in accounting fraud and Sarbox violations.

We need to demand an immediate release of the e-mails, phone records, and meeting notes from the NY Fed and key Lehman principals regarding the NY Fed's review of Lehman's solvency. If, as things appear now, Lehman was allowed by the Fed's inaction to remain in business, when the Fed should have insisted on a wind-down (and the failed Barclay's said this was not infeasible: even an orderly bankruptcy would have been preferable, as Harvey Miller, who handled the Lehman BK filing has made clear; a good bank/bad bank structure, with a Fed backstop of the bad bank, would have been an option if the Fed's justification for inaction was systemic risk), the NY Fed at a minimum helped perpetuate a fraud on investors and counterparties.

This pattern further suggests the Fed, which by its charter is tasked to promote the safety and soundness of the banking system, instead, via its collusion with Lehman management, operated to protect particular actors to the detriment of the public at large.

And most important, it says that the NY Fed, and likely Geithner himself, undermined, perhaps even violated, laws

designed to protect investors and markets. If so, he is not fit to be Treasury secretary or hold any office related to financial supervision and should resign immediately.

Enter your bet below and win a shiny hubcap!!!!

... what's that you say? The correct answer is **C, none of the above?** Or rather, **D, Eric Holder** will be the first to be ousted, because he argued to uphold the Constitution and limit Presidential abuse of power?

(Shiny hubcap from

http://www.flickr.com/photos/daryl_mitchell/ / CC BY-SA 2.0)