

POPCORN FUTURES: CLIENT NO. 9 VERSUS MANHATTAN MADAM IN NY COMPTROLLER RACE



[photo: Vegan Feast Catering
via Flickr]

Get out the biggest popcorn bowl you own and extra napkins, find your cushy tushy pillow, and get ready for some serious entertainment.

Former New York State governor Eliot Spitzer (D) has thrown his hat in the ring for state comptroller. He will be running against Kristin Davis (R) for the same seat, along with other less well-known candidates.

Spitzer, you may recall, resigned in 2008 as governor after it was revealed he was Client No. 9 [PDF] in a federal case in which four defendants (not named Spitzer) were charged in regards to prostitution enterprise over state lines.

Davis, you will further recall, was the so-called "Manhattan Madam" arrested and prosecuted

in the sweep of the prostitution ring related to the Spitzer scandal.

The popcorn is done, you may serve yourselves and make yourselves comfortable.

When you're done laughing, that is.

When you've finished wiping the tears from laughing so hard, you may also want to revisit the case that caused Spitzer to resign.

Further, you may also want to take careful note of these key dates and events:

14-FEB-2008 – An op-ed written by Eliot Spitzer, Predatory Lenders' Partner in Crime, was published in the Washington Post. It called out the White House about its actions which thwarted efforts of states' attorneys general to prosecute predatory lending.

14-FEB-2008 – Spitzer gave testimony this same date to the U.S. House Committee on Financial Services.

10-MAR-2008 – It was first revealed to the public that Spitzer was linked to a prostitution ring.

12-MAR-2008 – Then-governor Spitzer resigned.

14-MAR-2008 – The Fed Reserve initially agrees to loan Bear Stearns at least \$25 billion; within two days, Bear Stearns is sold to J. P. Morgan for only \$2/share, a mere fraction of its worth a month earlier when it traded for well over \$100/share.

The 2008 financial crisis was set in motion by the cascading pressure for liquidity after Bear Stearns collapsed.

A number of folks near and dear to us looked into the origins of the investigation that caught up Spitzer; it's been said Spitzer's bank turned over suspicious activity to the IRS. However, in light of recent disclosures about domestic spying and datamining, it might be worth asking again whether some other surveillance tripped up Spitzer – especially

after the hinky extension on the original wiretap that snagged a call related to Spitzer.

Perhaps this is why Spitzer feels comfortable attempting a political comeback.

And perhaps he knows why the rest of the prostitution ring's clients – a substantive number of them employed by Too-Big-To-Fail financial institutions – weren't disclosed as he was.

In any event, the New York comptroller's race ought to be highly entertaining if not informative. Stock up on popcorn, kids, and buy some popcorn futures.