

What about Those who "Caused" the Problem?



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By Robert Buckner - November 1, 2011

None of the political figures who were responsible for designing the "Melt-Down" caused by the "Sub-Prime Mortgage Fiasco" have been brought into account! Men, who had committed far less sever crimes and were not political-figures have been prosecuted and imprisoned! Why not those who reside within the, "Liberal-Left Ruling-Class Elite Statist?"

If they were not prosecuted for the crimes and incredible fiscal damage which they were responsible for causing – what happened to them and where are they today?

Three of the men who pulled down Wall Street-- where are they now?
Be sure to read the "where they are now" at the end!

Here's a quick look into the three former Fannie Mae executives who brought down Wall Street:

Franklin Raines was a Chairman and Chief Executive Officer at Fannie Mae. Raines was forced to retire from his position with Fannie Mae when auditing discovered severe irregularities in Fannie Mae's accounting activities. At the time of his departure The Wall Street Journal noted, "Raines, who long defended the company's accounting despite mounting evidence that it wasn't proper, issued a statement late Tuesday conceding that "mistakes were made" and saying he would assume responsibility as he had earlier promised. News reports indicate the company was under growing pressure from regulators to shake up its management in the wake of findings that the company's books ran afoul of generally accepted accounting principles for four years." Fannie Mae had to reduce its surplus by \$9 billion. Raines left with a "golden parachute valued at \$240 Million in benefits. The Government filed suit against Raines when the depth of the accounting scandal became clear.

The Government noted, "The 101 charges reveal how the individuals improperly manipulated earnings to maximize their bonuses, while knowingly neglecting accounting systems and internal controls, misapplying over twenty accounting principles and misleading the regulator and the public. The Notice explains how they submitted six years of misleading and inaccurate accounting statements and inaccurate capital reports that enabled them to grow Fannie Mae in an unsafe and unsound manner." These charges were made in 2006. The Court ordered Raines to return \$50 Million Dollars he received in bonuses based on the miss-stated Fannie Mae profits.
[Net windfall . . . \\$190 million!](#)

Tim Howard - Was the Chief Financial Officer of Fannie Mae. Howard "was a strong internal proponent of using accounting strategies that would ensure a "stable pattern of earnings" at Fannie. In everyday English - he was cooking the books. The Government Investigation determined that, "Chief Financial Officer, Tim Howard, failed to provide adequate oversight to key control and reporting functions within Fannie Mae," On June 16, 2006, Rep. Richard Baker, R-La., asked the Justice Department to investigate his allegations that two former Fannie Mae executives lied to Congress in October 2004 when they denied manipulating the mortgage-finance giant's income statement to achieve management pay bonuses. Investigations by federal regulators and the company's board of directors since concluded that management did manipulate 1998 earnings to trigger bonuses. Raines and Howard resigned under pressure in late 2004.
[Howard's Golden Parachute was estimated at \\$20 Million!](#)

Jim Johnson - A former executive at Lehman Brothers and who was later forced from his position as Fannie Mae CEO. A look at the Office of Federal Housing Enterprise Oversight's May 2006 report on mismanagement and corruption inside Fannie Mae, and you'll see some interesting things about Johnson. Investigators found that Fannie Mae had hidden a substantial amount of Johnson's 1998 compensation from the public, reporting that it was between \$6 million and \$7 million when it fact it was \$21 million." Johnson is currently under investigation for taking illegal loans from Countrywide while serving as CEO of Fannie Mae. [Johnson's Golden Parachute was estimated at \\$28 Million.](#)

WHERE ARE THEY NOW?

FRANKLIN RAINES? Raines works for the Obama Campaign as his Chief Economic Advisor.

TIM HOWARD? Howard is a Chief Economic Advisor to Obama under Franklin Raines.

JIM JOHNSON? Johnson was hired as a Senior Obama Finance Advisor and was selected to run Obama's Vice Presidential Search Committee.



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