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Honey pot

My story today on the broader context for the charges in New York:

New charges against a politically-connected private equity fund and a top New York political consulting firm raise a curtain on perhaps the most lucrative - and seedy - aspect of the business of American politics, the politically-controlled management of billions of dollars in state pension funds.

The scandal that erupted in the office of former New York State Comptroller Alan Hevesi is a study in contrasts: High flying private equity titans, allegedly caught with their hands in the pockets of teachers, clerks, and sanitation workers. Top politicians whose salaries are stuck in the low six-figures, suddenly in control of pots of money running into the twelve-figures. And top Democratic donors who cast themselves as high-minded, disinterested dabblers in the public good are revealed to have quite a bit of interest after all.

"We've gone from public contracts for buildings to underwriting to now controlling pension funds," said Mitchell Moss, a professor of urban planning at New York University, describing the recent evolution of political corruption. "The state pension funds have become the new honey pot."

Posted by Ben Smith 05:41 PM