

The Wall Street bailout looks a lot like Iraq — a "free-fraud zone" where private contractors cash in on the mess they helped create.

As soon as the bailout was announced, it became clear that Treasury officials would hire outsiders to perform their jobs for them — at a profit. Private companies wanting to help manage the bailout were given just two days to apply for massive, multiyear contracts. Since it was such a mad rush — after all, the entire economy was about to implode — there was no time for an open bidding process. Nor was there time to draft rigorous rules to make sure that those applying don't have serious conflicts of interest. Instead, applicants were asked to disclose their conflicts and to explain — and this is not a joke — their "philosophy in fulfilling your duty to the Treasury and the U.S. taxpayer in light of your proprietary interests and those of other clients." In other words, an open invitation to bullshit about how much they love their country and how they can be trusted to regulate themselves.

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