

Herd on the Street

 by Les Swift

The Top of His Game

These days, on Wall Street, being a winner does not necessarily mean you've won.

There are so many homeless people in New York City these days, that native New Yorkers have virtually ceased to see them. Being from a different part of the country, I still sometimes take a glance at these unfortunate citizens. Such was the case last week, when, upon entering a subway station near Wall Street, I had a sudden flash of recognition.

"Hey, aren't you..." I asked, spying a familiar face on the derelict I was stepping over in my haste.

"Used to be," he interrupted. "Not anymore."

Imagine my shock! Sprawled on the sidewalk before me, begging cup in hand, was a man who used to be one of the top guys at one of Wall Street's financial giants. The firm was virtually a household name, and the guy was well known on The Street, and in the business pages of magazines and newspapers around the world—a celebrity of sorts.

"What happened to you?" I gasped. "Last time I saw you, you were on top of the world."

"Was," he said. "As you can see, I've taken a new position."

Smelling an interesting story before me, I asked him if he wanted to grab breakfast somewhere. He agreed, and we moved to a nearby hash joint.

"You wanna talk about it?" I probed. "There must be a story there, if you want to tell it."

"Why not?" he replied. "I've got pretty good job security in my current spot. I can set my own hours—it's not like anyone is going to fire me again."

"You got fired?" I exclaimed. "I thought you left the firm to take another job."

"That's what the press release said, but, as is usually the case, reality is different. What happened was, I got canned for conduct unbecoming a banker."

"What did you do, tell the truth?" I quipped, pleased with my boundless wit.

"Yeah," he said. "That's exactly what I did. I told them the truth, and they didn't take it well. I told them the bank was bankrupt, its books loaded with toxic waste that would prove to be worthless."

"They were apoplectic," he continued. "'You can't say that!' they screamed at me. 'It's not true! We're fundamentally sound, we're one of the soundest banks in the world, and we're way too big to fail!'"

"They're still saying that today," I said. "They say it, the press says it. 'We're too smart to make mistakes.' It's actually pretty amusing, in a way."

"What else can they say," he said, with a trace of bitterness. "If they tell the truth, they vaporize."

With a bit of food in him, and an audience, he began to revert slowly towards his former persona. He began to tell me how this prestigious firm operated, revealing the sleazy reality of its vaunted expertise.

"First thing to understand," he said, "is that they would be dead without the bailout. They say they didn't need the money, but they lied. They're still on life support, still dependent on

the Fed and the Treasury. Without that money, poof!"

"Second thing, they're cooking the books," he continued. "Their asset base is collapsing, losing value at an accelerating rate. But they treat it as if it still had value, and, in some cases, as if it were appreciating in value. They know it, their accountants know it, the Fed knows it, but no one's talking. They all saw what happened to me."

"Third, they're deliberately looting their customers. They're front-running their customers' trades, selling them junk they don't want on their own books, and running up the price of oil."

"Those are serious charges," I said. "How do they get away with it? Certainly, the authorities are on the case!"

"You always were naive," he laughed. "Laughing at the stupid journalists was one of our favorite sports on the trading floor, second only to laughing at our stupid customers. You guys print everything we tell you. You're all a bunch of parrots, repeating whatever you hear."

"That's not fair," I sputtered. "We're professionals, too..."

"Save it," he said, cutting me off. "We told you derivatives reduced risk, and you believed it. We told you the economy was sound, and you believed it. We had the biggest Ponzi scheme in history going, and you idiots helped us. We were rolling in the dough."

"Yeah, well you're not so rich now," I retorted, dripping with embarrassing pettiness.

"True," he said. "But once again, I'm ahead of the game. All my former colleagues avoid me like the plague nowadays, but soon they'll be coming to me for tips on how to survive on the street. On top of that, I've already got the best spots picked out, the best dumpsters and grates. When the rest of the Street hits the street, I'll be on top again."

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