

The Troubled Asset Pension Fund

By [The Mogambo Guru](#)

01/12/09 With so much money going toward "relieving troubled assets," it seems only appropriate that the Mogambo would use this irresponsible money creation as a precedent to create his own TARP...using other employees' pension funds. Unfortunately, the bitter outcome of his wheelings and dealings doesn't look to be any more positive than that of the Federal Reserve. Read on...

Junior Mogambo Ranger (JMR) Phil S. was apparently as aghast as I was, so he sent the AP news item that "The Treasury Department opened the door...to using a Citigroup-style rescue package to help other troubled financial institutions", which referred to the scam of the government "backing billions in risky assets and providing a fresh capital infusion."

This is all, apparently, part of the new Targeted Investment Program, which is government-speak for "new giveaway program that will end up costing the nation whole multiples of actual dollars expended when measured in the sheer tonnage of misery and suffering, or its equivalent; inflation/loss of buying power that all that new money and credit will create, which is not to mention the further cancerous distortion of the economic fabric by the government being an even bigger piece of the economy, especially now that the total amount of government (local, state and federal) spending is already over half of freaking GDP to start with!"

Of course, the Treasury anticipated that I would make a stink about this new giveaway program, and they are emphatic that this is not a "giveaway", and that it was a "participation" in getting grubby, incompetent hands on free money, the lucky recipients being "weighed on a case-by-case basis."

It was here that I initially stopped reading and went off on a loud rant about corruption and stupidity in Congress and the sheer, colossal, towering stupidity of the weird economic theories of the Federal Reserve! And with the fawning endorsement by the overwhelming majority of the nation's universities and professors, who teach that stupid crap, which is the same staggeringly stupid econometric theories that have gotten us into this mess!

It all became surreal when Madoff – the guy who amassed, so they say, \$50 billion worth of losses in a huge Ponzi scheme – was called to testify about it by Congress! Hahahaha!

I can tell you everything you want to know about it; The Federal Reserve created the excess money and credit so that huge amounts of money would be borrowed and spent by the government, which contributed not only a lot of economic activity, tax revenues, and inflation, but which also caused a problem by winding up as a profit in somebody's pocket, who then has to decide "Where to put all of this damned money?"

Predictably, I spent most of the morning firing off flaming emails to Congress and The Federal Reserve ("Dear halfwit scumbags, You are disastrously wrong and I hate you for destroying us! Signed, Disgruntled in Florida").

Now I am sorry that I used up all of that time, as the part that I can really use came later in the article, where the "Treasury said it would consider, among other things, whether the 'destabilization' of a financial institution could threaten the viability of creditors and others. It also would weigh the extent to which the institution faced a loss of confidence because of the troubled assets it held." Wow!

At this I yelled, as did Archimedes, "Eureka!" The answer to my troubles at work was right here!

I hastily scrapped all the other "it ain't my fault" defenses on which I had worked in a feverish attempt to keep from getting fired like I deserved, and now, using this fabulous new TIP scheme to my advantage, I immediately declared my little department to be a bank, and plowed all of the employee pension fund money into it as shareholders of the bank.

Next, I simply – and cleverly – transferred all my department's losses to the bank as "troubled assets" of the bank, throwing my MasterCard balance in there for good measure so that I can subsequently claim at my trial that this illegal commingling of funds showed it was all obviously a big, tragic misunderstanding, over which I had no control, and therefore I am not guilty of anything, the preponderance of evidence to the contrary notwithstanding.

But my anticipated legal troubles aside, with an entire pension fund invested in a bank that has assets of negative value, at a stroke I have demonstrated a desperate need of money (lots and lots of money!) to prevent "destabilization" of a financial institution which "could threaten the viability of creditors and others."

It also would weigh in the Heavyweight Class when considering "the extent to which the institution faced a loss of confidence because of the troubled assets it held."

Now, thanks to my genius, we just sit back and wait for all that lovely money to come pouring in from the Federal Reserve! It's brilliant!

Alternately, a news item by the Wall Street Journal gave me a backup idea in an embarrassment of riches. The article said, "Cerberus Capital Management suspended withdrawal requests from investors, joining a parade of hedge and private-equity funds that have halted redemptions."

The actual plan at Cerberus Partners was "to pay 20% of year-end withdrawals in cash and suspend the remaining withdrawals for investors for up to one year."

Well, this applies to me perfectly, as I would like to have a lot of money without working for it when I can confiscate it from somebody and pay them back at twenty cents on the dollar!

So I ask one of my employees, "Hey! How would you like it if your pension fund returned 20 percent this coming year?" And naturally the guy says, "Sure, I would like that juicy return, but

what does that have to do with your rummaging through my lunchbox and stealing pencils from my desk?"

Quickly I say, "Nothing, moron!" and I hustle back to my office to implement Phase 2 of my plan; transfer the money in the employee pension fund into the Mogambo Hedge Fund (MHF), where I can then get my grubby hands on all that lovely, lovely money.

Phase 3 is where I ignore letters, telephone calls, faxes, emails, telegrams, subpoenas, hysterical bankrupted investors banging at the door, and anything concerning the Mogambo Hedge Fund (MHF) until, backed into a corner by the police and their SWAT team goon squads, I send out a letter saying that the MHF will immediately give the employees 20 cents on the dollar, but then the now-world-famous Mogambo Hedge Fund (MHF) is suspending all further payments!

My legal defense is that the employee got what that employee said he wanted; a 20% return on his money! And I got what I wanted; a lot of money without working for it!

So, whee! Innovative financial engineering is so profitable!

For everyone else, of course, they will have to be content to buy gold, silver and oil to capitalize on the stupidity of the Federal Reserve and Congress creating more money and credit, debasing the dollar bit by bit, and everything getting weirder and weirder!

Until next time,

The Mogambo Guru