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November 01, 2011 10:04 AM

## Mitt Romney Entwined with Players In Stanford Ponzi Scheme

By karoli

17 comments

Go back in time with me to 2009, just after President Obama's inauguration when the economy was in full meltdown mode thanks to Wall Street greed and the administration was trying desperately to pass some kind of stimulus package to keep us from spiraling into a full-blown depression.

First there was the Madoff Ponzi scheme scandal, which is the biggest in history. Then the **Stanford Group Ponzi scheme scandal** broke in 2009. The numbers were mind-boggling, but the deceit more so. \$8 billion dollars stolen from investors. Allen Stanford on the run to parts unknown. Thousands of investors bilked of everything, and it happened because the **SEC failed to act on warnings** that there was rampant fraud taking place.

Even as I write, investors have not recovered any part of their investments. Assets are still frozen, and Allen Stanford **claims to have some memory problems** about what actually took place.

Ponzi schemes like the Stanford scheme happen all the time. Salesmen go out and sell fake investments they claim are safe -- Certificates of Deposit in this case. But the money is really invested in illiquid risky investments, and so to feed the cash beast, they have to go out and find more cash to keep the scheme going. Eventually it collapses, investors end up with nothing, and the only ones who seem to benefit are the salesmen who collect their commissions and move on.

This is why **Lee Fang's investigative report** for *Think Progress* is so devastating to Mitt Romney. Or at least, it should be.

Let's start with this:

Mitt Romney, his son Tagg, and Romney's chief fundraiser, Spencer Zwick, have extensive financial and political ties to three men who allegedly participated in an \$8.5 billion Ponzi scheme. A few months after the Ponzi scheme collapsed, a firm financed by Mitt Romney and run by his son and chief fundraiser partnered with the three men and created a new "wealth management business" as a subsidiary.

That graphic at the top illustrates all of the ties Romney has with these former Stanford Capital salesmen. But here is a bit more detail:

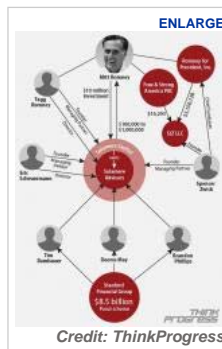
After news of the Ponzi scheme precipitated the collapse of Stanford in 2009, Tagg **partnered with several** of Stanford's North Carolina executives to start a firm called Solamere Advisors. At least three prominent brokers who had worked for Stanford — Tim Bambauer, Deems May, and Brandon Phillips — **joined** Tagg to help run Solamere Advisors, a wealth management business located in Charlotte, North Carolina. "We are excited to be associated with such a highly capable group of financial advisors with a proven track record of meeting the needs of their clients throughout the Southeast," said Tagg in a **press release** announcing Solamere Advisors, which borrows its the name from its parent company, Solamere Capital.

So to review, we have Mitt Romney coughing up \$10 million to help start a firm that hired three brokers who sold bogus CDs for Stanford Financial and made some decent money on the deal, too. Not only that, but Spencer Zwick the lead fundraiser for Romney's campaign is a principal in the Solamere Capital firm along with these Stanford brokers. Spencer Zwick does business as SJZ, LLC, and has been paid over \$2 million in fees by the Romney campaign.

I'm sure Republicans will simply shrug this off as a tempest in a teapot. They might get away with that, but for Romney's campaign platform, which promises to repeal the Dodd-Frank financial regulatory law. As Fang notes:

The revelation about Romney's ties to the Stanford ponzi scheme unmask the risks associated with removing new investor protections. The Dodd-Frank Wall Street Reform law, a reform Romney says he will **repeal** if he wins the presidency, attempts to address future Ponzi schemes by enacting new protections for whistleblowers to alert authorities when they find evidence of fraud. The law also **creates** a new Investor Advocate and Investor Advisory Committee within the Securities and Exchange Commission to detect and investigate future Ponzi schemes.

Mike Hudson, a reporter with iWatch News and author of a **new book** about how predatory Wall Street practices created the financial crisis, told ThinkProgress that Dodd-Frank "could be a game changer that helps the SEC identify and shut down Ponzis and Ponzi-like schemes." **But**



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on the campaign trail, Romney, a fierce critic of efforts to reign in Wall Street practices, has **called** new investor protections like Dodd-Frank "extraordinarily burdensome."

Oh yes. Burdensome, indeed, especially if one wants to be (at the very least) an accessory to fraud and still have a career in the financial industry after that.

Mitt Romney has a problem. A big problem, particularly in light of the ongoing **Occupy protests**. As **Matt Taibbi pointed out last week**, it's not *banking* they're protesting, it's *cheating*, and it would appear as though Republicans have a leading Presidential candidate who has no problem being in business with cheaters, and worse yet, supports giving them the tools with which to continue cheating.

This is one they cannot and should not shrug off, and we shouldn't let them.

Tags: [Mitt Romney](#), [Solamere Advisors](#), [Spencer Zwick](#), [Stanford Financial](#), [Tagg Romney](#)

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**17 Comments**

 **"We don't control them at all..."**  
ricky — 11/1/11 10:21am

we just own them." Tagg the Missionary Man

*"Mitt, never get involved in politics if you have to win election to pay a mortgage"*  
G. Romney as quoted by Willard M. Romney

 **Ah! So Romney has Financial Experience !!**  
MountainMan23 — 11/1/11 10:24am

Sounds like he'd make a Fine President !!

Or could just join Obama's administration and blend right in with Geithner, Summers, and Obama himself.

.. they are ALL a bunch of crooks .. and liars ..


*When the earth is ravaged and the animals are dying, a new tribe of people shall come unto the earth from many colors, classes, creeds, and who by their actions and deeds shall make the earth green again. They will be known as the Warriors of the Rainbow*

 **Move on, folks... Nothing to see... Just another gopLizard**  
fucksnickityClam — 11/1/11 10:34am

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Ignorance is the mother of all religions.

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[Hooray for Occupy Wall Street](#)

cycle3man — 11/1/11 10:36am

I hope they grow into the political force that passes legislation that will both set proper ground rules and will have these schemers and scammers brought up on charges and if found guilty put in jail for long periods.

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[Bad timing again](#)

jonnyj — 11/1/11 10:40am

I suspect these revelations about Repugs are coming from infighting. It would be much better for us if this stuff came out AFTER they got the 1% party nomination.

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[To be fair](#)

ikalbertus — 11/1/11 10:40am

I'm sure that pickpockets and home invaders find the laws prohibiting their activities "extraordinarily burdensome"

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[Please karoli, show some respect...](#)

ricky — 11/1/11 11:43am

It is SIR Allen Stanford.  
Or is it Sir Allen, Earl of Stanford?  
Not bad for a kid from Mexia. (Bet you Texas haters cain't even pronounce it).

*"Mitt, never get involved in politics if you have to win election to pay a mortgage"*  
G. Romney as quoted by Willard M. Romney

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[Uhm...](#)

Andy K — 11/1/11 11:48am

may-HEE-yuh?

*Don't try to confuse the issue with half-truths and gorilla dust.*

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[Very good for a Michigander, Andy K. Close.](#)

ricky — 11/1/11 2:01pm

You pass the Dickie Flatt test.\*

Mah-hay-ah.

\* Dickie Flatt was a printer from Mexia, Texas. The Dickie Flatt Test was a rhetorical device used for Phil Gramm in speeches when he would announce his position against spending the hard earned tax money of Dickie Flatt on this, that, or the other. Of course the entire economy of Mexia, Texas is dependent upon the dollars which flow there to operate the Mexia State Living Center (formerly the Mexia State School) a facility for the severely mentally retarded, a public institution operated by the state of Texas. With tax money.

*"Mitt, never get involved in politics if you have to win election to pay a mortgage"*  
G. Romney as quoted by Willard M. Romney

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[GOP: party of by and for fraudsters](#)

mymy — 11/1/11 11:35am

The GOP throws around lines like Social Security -- stable and self-funded -- is a Ponzi scheme, and here is their leading candidate up to his neck in a real one!

Stanford!?!? That crook!!!



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No wonder the GOP is the patron saint of fraudsters! (Right now the House is trying to give back the banks ability to bet on derivatives...)

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[Folks, let's be smart about this...](#)

MedfordTim — 11/1/11 12:08pm

Why not hold back this sort of stuff until Romney is the actual candidate? If he drops out, the Republicans will REALLY be up a creek candidate-wise and might go off the reservation and get someone who could actually challenge Obama. Timing is everything. This seems to be a premature edification...

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[Story aside, Romney gives me the creeps.](#)

Rich H — 11/1/11 12:24pm

You can see him trying Soooo Haaard he's practically jumping out of his skin. It's like those horror movies where they cut and splice so the ghost (or whatever) is all over the place, it's creepy. Way, way, way too much caffiene.

Though I know he's not supposed to drink it. If it's just his nerves, he needs to calm down a little.

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[Mitt Romney](#)

NavSpecWarVet — 11/1/11 2:09pm

Mitt Romney couldn't connect with an ordinary American if his life depended on it. He's one of those rich bastards that was born on Third Base and thinks that he hit a triple. When I see him on TV at campaign events trying to act like a regular guy it is actually physically painful to watch. He makes George H.W. Bush seem like Everyman. Now, to hear about this doesn't surprise me at all. After all, he is first and foremost a heartless arbitrageur. It is all about money with people like him. Fuck everyone else, get the money.

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[You know Romney has switched his positions on so many things](#)

ricky — 11/1/11 2:19pm

to please first the voters of Massachusetts then the right wing of the Republican party, it is a wonder he simply hasn't switched religions yet. Hell, even McCain became a Baptist.

*"Mitt, never get involved in politics if you have to win election to pay a mortgage"*  
G. Romney as quoted by Willard M. Romney

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NS57 — 11/1/11 2:17pm

did Romney's Bain Capital loot?

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[And Mittens is worried about](#)

g-man — 11/1/11 5:04pm

Hiring undocumented workers to mow his lawn. A real flip-flopper.

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[His son Tagg? Is this from the Palin school of naming your kids?](#)

jank51 — 11/2/11 5:56am

"My five sons---Tic, Tac, Tow, Tagg and Ur-It."

Janek

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