

## *“Do as I say...*

*...not as I do.*” As part of Obama’s stimulus package, the new President will pay several workers to chisel that inscription prominently onto the Treasury Building. The phrase is, of course, in honor of the new Secretary of the Treasury, Timothy “I don’t need to pay no stinkin’ taxes” Geithner.

Geithner, we have learned, failed to pay over \$34,000 in Social Security and Medicare taxes for the several years he worked for the International Monetary Fund. Because his employer was not an American business it did not deduct Social Security or Medicare taxes directly from his paychecks. He was, however, given documents explaining that he was responsible for paying those self-employment taxes on his own – and he signed those forms in acknowledgment.

When April 15 rolled around each year, Geithner apparently decided he wouldn’t bother paying those taxes. “*Who would know?*” Well, the Internal Revenue Service eventually caught up with him and asked him to pay up. He did... in part. It was not until Obama chose him to be his Treasury Secretary that Geithner coughed up the final \$26,000 due. (To its credit, the Obama vetting team found more Geithner tax errors than had the IRS.)

Because of the sudden controversy over Geithner’s failure to pay taxes, his initial confirmation hearing for January 13 was canceled. Members of the Senate Finance Committee met with Geithner privately instead. Obama’s press secretary, Robert Gibbs, remarked that “Geithner’s service should not be tarnished by honest mistakes.” It has not been made clear whether Obama or Geithner (who, as Treasury Secretary, would also be responsible for Internal Revenue Service) will consider “honest mistake” a reasonable defense for average Americans who fail to pay their taxes while Obama is in office.

Also at issue were Geithner’s illegally deducting as a child-care expense the cost of “sleep away” camps attended by his child, and the illegal use of an immigrant maid by Geithner for three months after the expiration of her work authorization documents. And toss in tax penalties for an unreported early-withdrawal from a retirement plan, an improper small-business deduction, an ineligible charitable contribution deduction, and improper deduction of personal utility costs as business expenses. For a guy who is going to be in charge of the IRS, Geithner certainly knows how to make “honest mistakes” in his own favor.

Obama, who has spent a lifetime distributing other people’s money for corrupt and/or left-wing causes, no doubt was impressed by Geithner, who, as New York’s Federal Reserve Bank President, also has considerable experience distributing money that isn’t his. Others are not so thrilled with Obama’s choice. CNBC’s Jim Cramer had said that if Geithner “...gets a top spot in... Obama’s cabinet, we are done, finished, kaput. It is that simple.”

Along with Geithner, Obama also picked Peter Orszag and Lawrence Summers for top financial spots in his administration. Geithner, Summers, and Orszag are all disciples of

Robert Rubin, the former Clinton Treasury Secretary and Obama advisor who made more than \$100 million giving bad investment advice to Citigroup and which led to the firm eventually begging for tens of billions of dollars in federal bail-out money. (Broke as it may be, Citigroup still plans on spending \$400 million of taxpayer bail-out money to get its name on a new baseball stadium for the New York Mets.)

After the Senate Finance Committee met privately with Geithner, several Senators said they still supported him despite his tax-avoidance problems. Senator Orrin Hatch (R-UT) said “I still support him” and called Geithner a “...very competent guy.” (A lot of people thought Bernard Madoff was a very competent guy as well.) If conservatives like Hatch are going to roll over for Geithner, it looks like Obama will have his guy in place before too long. Obama press secretary Robert Gibbs argued that Geithner’s “service should not be tarnished by honest mistakes, which, upon learning of them, he quickly addressed.” Needless to say, most Americans might not look at Geithner’s failure to pay taxes as an “honest mistake.” Instead, it looks like he took a chance, violated the tax laws, and got caught. Nor did Geithner “quickly address” the issue, as he stalled paying the final amounts due until the last possible moment.

No doubt the controversy will soon end, as the media finds more interesting things to talk about than whether a top administration official considers himself above the tax laws - like praising Michelle Obama’s inauguration gowns (whether they deserve praise or not) and gushing about how Obama will save the nation with his massive “deficit spending” – oops, sorry, the required term is now “*stimulus package*.”

Of course, if the new President and Treasury Secretary were Republicans, all Hell would be breaking loose right now, and Senators like Dodd and Schumer would be nowhere near as generous as Senator Hatch. Indeed, they’d be crucifying the nominee in the most shameful terms possible, and the media would be endlessly repeating that the average American doesn’t even earn as much as the nominee failed to pay in taxes.

But Geithner will be given a pass. Being a Democrat certainly has its advantages. What is a tax crime for a Republican is simply an “honest mistake” for a Democrat.

I think I may change my party affiliation on April 15... right before I mail my tax return.

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*January 19, 2009*

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