

“Confidence Men” On Wall Street and College Campuses

Clips Book Review

Our guest author references the book Confidence Men and earlier documentaries about America's financial crises to point to another looming crisis in higher education that he sees mirroring the economic meltdowns.

By Frank G. Splitt, 10-5-11

Ron Suskind's recently published book, *Confidence Men*, is a brilliantly reported story.¹ The Pulitzer Prize winning journalist provides deep insights into how Wall Street strayed from long-standing principles of transparency, accountability, and fair dealing to generate stunning profits but only to fail just prior to the election to the presidency of a woefully inexperienced Barack Obama. Suskind exposes the principle players in this calamitous affair. His revelations should come as no surprise to those who have previously viewed the informative documentaries "Enron: The Smartest Guys in the Room"² and "Inside Job."³

"Enron," based on the book by *Fortune Magazine* reporters Bethany McLean and Peter Elkind,⁴ provides a behind-the-scenes look at the powerful energy company whose downfall forever changed the landscape of the business world. "Inside Job" is based on producer/director Charles Ferguson's interviews with journalists, politicians, and financial insiders that revealed the true architects of the economic meltdown that hit America starting in 2008—exposing most of the same players named by Suskind.

Taken together, Suskind's book and the documentaries provide a telling lesson in the potential trappings of arrogance, dishonesty, incompetence (inexperience), greed, and unethical behavior plaguing, to varying degrees, not only corporate America, but our government as well..

We see from Suskind's book and the documentaries that a decade after the 9/11 terrorist attack on the World Trade Center's twin towers, grievous harm to the U. S. and world economies has been achieved by Americans—this grievous harm was one of the key objectives of the 9/11 attack that failed in this regard. Devastating economic harm was not accomplished by a memorable catastrophic event, but over time via a combination of greed and arrogance, as well as a profound lack of appropriate regulation and oversight by U. S. governments led by ill-advised presidents who, in turn, exercised poor judgment

Osama bin Laden and Al Qaeda were held accountable for the 9/11 attack and duly punished. However, no one on Wall Street or in the White House has been sent to jail or otherwise held accountable for the economic crisis orchestrated by the confidence men on Wall Street and in the White House.

It is difficult to believe that still another unheralded crisis is brewing—mirroring the economic debacles in many ways. It involves one of America's biggest business sectors—higher education. Many of America's colleges and universities are experiencing serious troubles with proliferating scandals in their professional sports entertainment businesses that are led by their own brand of fat-cat confidence men—NCAA, BCS Conference, and school officials, as well as very wealthy boosters and trustees.

The schools have become academically adrift in a sea of sports—with graduates that have not developed the skills and knowledge they need to become our next generation of leaders and good citizens.^{5,6} Their graduates lack foundational knowledge in core subjects such as math, science & technology, economics, communications (written and verbal), civics, and history

The school's crowd-pleasing sports-entertainment businesses exhibit undisguised contempt of academic integrity and are not only accompanied by injustices to college athletes, but massive corruption as

Well.⁷⁻⁹ Corruption has, over time, warped academic missions as athletics have been prioritized over academics with dire unintended consequences, to wit: the loss of economic competitiveness, deterioration of America's well being, as well as the erosion of its leadership position on the world stage. Nonetheless, as with AIG and the big banks, members of Congress and Administration officials—including those at the Department of Education—consider these businesses too big to fail and too popular with constituents (a political 'third rail'). As a consequence, they are reluctant to require corrective action, such as, for example, imposing requirements for transparency, accountability and oversight.

Unfortunately, the nation stands in denial. We have no one to blame but ourselves with our seeming addiction to 24/7 sports entertainment and tolerance of a political class that seemingly prioritizes re-election above all else. When will we ever learn?

"The future of our country" was the kind of earnest topic they wouldn't or couldn't survey without a wry smile. But now I believe I see a deep yearning to help, to do the right thing, to be part of a rebuilding, and it is a yearning based in true and absolute anxiety that we may lose this wonderful thing we were born into, this America, this brilliant golden gift.—Peggy Noonan¹⁰

Perhaps all of this will be the subject of a future Suskind book and truth-telling documentaries, possibly co-authored with fellow Pulitzer-Prize-winner Taylor Branch, author of the previously referenced cover story, "The Shame of College Sports," in the October 2011, issue of *The Atlantic Monthly*. Hopefully, the book and documentaries will not be histories of another calamity but rather a story about how we can resolve related problems and come back as the world leader we once were.¹¹

The writer is a former McCormick Faculty Fellow at Northwestern University's McCormick School of Engineering and Applied Science. A complete listing of links to his essays and commentaries on college sports reform can be found at <http://thedrakegroup.org/splittessays.html>.

Notes

1. Suskind, Ron, *Confidence Men: Wall Street, Washington, and the Education of a President*, HarperCollins, October 2011. In part this commentary is based on the author's *Amazon.com* review of this book, accessible at http://www.amazon.com/gp/cdp/member-reviews/A3927GE69M656Q/ref=cm_cr_dp_auth_rev?ie=UTF8&sort_by=MostRecentReview
2. "Enron: The Smartest Guys in the Room," *HDNET Films*, Magnolia Home Entertainment, DVD Release Date: April 22, 2005.
3. McLean, Bethany and Elkind, Peter, *Smartest Guys in the Room: The Amazing Rise and Scandalous Fall of Enron*, 2003, Portfolio Trade, 2003.
4. "Inside Job," *Sony Pictures Classics*, Theatrical Release Date: October 8, 2010, DVD Release Date: March 8, 2011.
5. Arum, Richard and Roksa, Josipa, *Academically Adrift: Limited Learning on College Campuses*, University of Chicago Press, January, 2011.
6. Splitt, Frank, "'Academically Adrift' in a Sea of Sports," *The Chronicle of Higher Education*, Letters to the Editor, March 8, 2011, <http://chronicle.com/article/Academically-Adrift-in-a-Sea/126643/>
7. Branch, Taylor "The Shame of College Sports," *The Atlantic Monthly*, October 2011, <http://www.theatlantic.com/magazine/archive/2011/10/the-shame-of-college-sports/8643/>.
8. Telander, Rick, "Century of non-progress: College football has been crooked game for over 100 years," *The Chicago Sun-Times*, September 24, 2011, <http://www.suntimes.com/sports/telander/7832883-419/college-football-has-been-crooked-game-for-over-100-years.html>
9. Hill, Catey, "10 Things College Football Won't Say: The whole nine yards on America's hugely popular -- and profitable -- pastime," *The Wall Street Journal, Smart Money*, October 2, 2011, <http://www.smartmoney.com/spend/family-money/10-things-college-football-wont-say-1317598414326/>
10. Noonan, Peggy, "Once Upon a Time in America: A troubled nation needs a real leader, not a storyteller," *The Wall Street Journal*, Opinion, October 1-2, 2011, <http://online.wsj.com/article/SB10001424052970204226204576601293925824326.html>
11. Friedman, Thomas L., and Mandelbaum, Michael, *That Used to Be Us: How America Fell Behind in the World It Invented and How We Can Come Back*, Farrar, Straus and Giroux, 2011.