



Written by [Alex Newman](#) on January 13, 2012

## Romney's Skeletons: His Bain Capital Received Millions in Bailouts

The scandal over Romney's federal bailouts first surged to prominence after a former strategist for the late Sen. Ted Kennedy publicly released an [unaired campaign ad](#) — made nearly a decade ago when Romney was running for the Massachusetts Senate seat — exposing a \$10-million federal bailout of Bain & Co. while Romney was at the helm. The attack ad, citing a 1994 [report](#) in the *Boston Globe*, noted that Romney worked with the Federal Deposit Insurance Corp. (FDIC) to bamboozle the American people out of money under the guise of “debt forgiveness.”



“Mitt Romney says he saved Bain & Company, but he didn't tell you that on the day he took over, he had his predecessor fire hundreds of employees, or that the way the company was rescued was with a federal bailout of \$10 million,” notes the narrator in Sen. Kennedy's unreleased ad as pictures of newspaper articles fill the screen. “He and others made \$4 million in this deal which cost ordinary people \$10 million.”

As if that was not bad enough for one of the GOP front-runners, Reuters recently [reported](#) that a steel company taken over by Bain Capital went bankrupt and received another big handout from the government. After the Missouri mill's approximately 750 employees were fired, a federal insurance agency had to bail out its underfunded pension plan to the tune of almost \$45 million. But Bain still made millions in profits on the deal.

“His supporters say the pension gap at the Kansas City mill was an unforeseen consequence of a falling stock market and adverse market conditions,” Reuters reported in the article entitled [“Romney's steel skeleton in the Bain closet,”](#) published on January 6. “But records show that the mill's Bain-backed management was confronted several times about the fund's shortfall, which, in the end, required an infusion of funds from the federal Pension Benefits Guarantee Corp.”

Romney opponents from across the political spectrum have seized on the revelations to paint one of the GOP's leading presidential candidates as a flip-flopping, taxpayer-fleecing insider. “This is more evidence that the so-called ‘fronrunners’ from the establishment represent more of the status quo that American voters are tired of — people who benefit from government bailouts on the taxpayers' dime and seek office to help their buddies do the same,” said Jesse Benton, chairman of Rep. Ron Paul's surging top-tier campaign for the Republican nomination.

Some Romney defenders such as the editors of *National Review* had recently claimed — inaccurately — that he “never” sought a bailout. But media pundits quickly exposed the error and [mocked the neoconservative publication](#), borrowing a word from the NRO article to label its coverup of Romney's federal rescues “asinine.”



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Other Romney apologists have attacked his critics for exposing Bain Capital's record. But because the former Massachusetts Governor has made his work at the firm one of the central focuses of his campaign, analysts said closer scrutiny of Romney's career there should have been expected.

And the criticism is growing quickly. "Put it all together and even Barack Obama is to Mitt's right on bailouts," [wrote](#) conservative commentator John Hawkins in a piece calling Romney the "Bailout King" of American politics. "Is this what conservatives will have to defend in 2012 in the name of 'capitalism' because Mitt Romney's the nominee?"

On the far Left, critics also assailed Romney for the bailouts. "I can't say that I'm surprised that Mitt Romney and his allies have conveniently forgotten about these bailouts ... but I am a little puzzled about why his Republican rivals haven't brought them up yet," [noted](#) Jed Lewison, a senior editor with the notorious *Daily Kos* website. "They don't have much — if any — more time."

Romney has also been heavily criticized by other Republican presidential hopefuls — especially Newt Gingrich, whose campaign may have been permanently derailed with a deluge of accusations about his own skeletons — over Bain Capital's [long track record of eliminating jobs for profit](#). Free-market advocates have largely steered clear of such attacks, but the term "Vulture Capitalist" is being attached to Romney with increasing frequency even by members of his own party.

In an ironic twist to the GOP race, Romney defended himself from the accusations by [comparing](#) his work at Bain to President Obama's unconstitutional takeover of much of the auto industry. Romney publicly opposed those bailouts at the time, even writing a piece for the *New York Times* advocating bankruptcy for Detroit. "In the general election I'll be pointing out that the president took the reins at General Motors and Chrysler — closed factories, closed dealerships, laid off thousands and thousands of workers — he did it to try to save the business," Romney [said](#) in a recent interview on CBS, prompting outrage among conservatives and ridicule from the Left. Even more astounding: A spokesman for the Romney campaign told the *New York Times* recently that the GOP contender had been advocating the Obama plan all along.

Indeed, at different times, Romney has both supported and opposed various federal bailout schemes of recent years. He was especially vocal with his support for bailing out the big banks. But [as with other key issues](#), it remains unclear what his current position is on unconstitutionally spending tax money to interfere in the market.

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