



Written by [Jack Kerwick, Ph.D.](#) on July 19, 2012

## Obama's Bain Attack on Romney

The 2012 presidential election is becoming as testy as everyone knew it would. In fact, it is becoming downright ugly. This, however, should come as no surprise to anyone who has paid attention to what President Obama's campaign has promised on than more one occasion in the past.

Way back in 2008, while running against Senator John McCain for the presidency, Obama [promised admirers in Philadelphia](#): "If they bring a knife to the fight, we bring a gun." Last August, in an article entitled, "[Obama Plan: Destroy Romney](#)," Politico reported that Obama was planning to ground his campaign for reelection in "a ferocious personal assault on Mitt Romney's character and business background."



Given Obama's high disapproval numbers, the President has little in his record to run on.

Thus, it appears that the only strategy left for him to fall back upon is the politics of personal destruction of which he now avails himself. As Romney's wife [Ann bluntly and succinctly summarized](#) it while speaking to CBS News recently: "I feel like all he's doing is saying, 'Let's kill this guy.'" Ann Romney may be biased in favor of her husband, but she is simply repeating what The Politico quotes "a prominent Democratic strategist aligned with the White House" as having said last year: "Unless things change and Obama can run on accomplishments, he will have to kill Romney."

The latest battle in Obama's war to remain in control of the presidency in the face of an ever-expanding sense of national malaise centers around his assaults against Romney's record while CEO of the private equity firm, Bain Capital. According to the president, during a two year period between 1999 and 2001, Bain "outsourced" jobs and drove companies into bankruptcy. And during this time, he maintains, Romney was in charge.

While it is true that as of February 2001, Bain documents refer to Romney as its "managing director," Romney actually left Bain before the period in question. As [Ed Gillespie](#) told CNN's Candy Crowley, host of State of the Union: "He [Romney] took a leave of absence" in 1999 "and retired retroactively" in to this time three years later. Romney left Bain to manage the Olympics. It "may have been thought" then, Gillespie said, that he could remain at Bain "part-time;" but because the Olympics were "in shambles," Romney didn't continue at Bain in any capacity.

Romney has since released financial disclosure forms corroborating Gillespie's account. For that matter, a multiplicity of independent fact-checking organizations has since done the same. [Factcheck.org](#) concluded:

But after reviewing numerous corporate filings with the Securities and Exchange Commission, contemporary news accounts, company histories and press releases, and the evidence offered by



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both the Obama and Romney campaigns, we found no evidence to support the claim that Romney, while he was still running Bain Capital, shipped American jobs overseas.

CNN's [Candy Crowley](#) pointed out to Obama adviser Robert Gibbs that while the president's strategy might be having some effect in some battleground states, "there is no evidence here that any of the fact check organizations have found that" Romney "outsourced jobs, or was president of Bain when it happened."

In response to her observation that not a single fact check organization has found a shred of evidence to substantiate Obama's allegations, Gibbs sharply responded: "Factcheck.org ought to read the *Washington Post*," the publication that originally reported that Romney and Bain Capital "were pioneers in outsourcing." The problem, though, is that [it is just this newspaper](#) that gives Obama "four Pinnochios" — its most severe judgment — for his claims on this score. It states:

The Obama campaign fails to make its case. On just about every level, this ad [attacking Romney's tenure at Bain] is misleading, unfair and untrue, from the use of 'corporate raider' to its examples of alleged outsourcing. Simply repeating the same debunked claims won't make them any more correct.

When Obama began hitting Romney on Bain back in late May, his attacks seemed to have backfired, as several prominent Democrats spoke out against him. Former President [Bill Clinton](#), for one, told CNN that Romney "had a sterling business career." Newark Mayor [Cory Booker](#) said on *Meet the Press*: "I have to just say, from a very personal level, I'm not about to sit here and indict private equity.... If you look at the totality of Bain Capital's record, they've done a lot to support businesses, to grow businesses."

Massachusetts Governor [Deval Patrick](#) told CNN's John King that Bain is "not a bad company." He said that he "respect[s] what Bain does, and its role in the free market system." Most recently, [David Gergen](#), senior political analyst for CNN, writes that whatever reasons there may be for not voting for Romney, "his honesty about his tenure at Bain Capital does not seem to be one of them."

Gergen notes that Bain is distinguished on account of "the respect in which it is generally held and for the generous philanthropy of some of its partners." He then observes that it has been "years" that Romney has spent contending that after "he was called in to rescue the Salt Lake City Olympics in February 1999, he turned his full attentions there and no longer exercised active management at Bain." This story was corroborated, Gergen claims, by two of Bain's "top people" with whom he spoke this past week.

But even though Romney actually left in early 1999, Bain being "a complex partnership," its papers continued "listing Romney in various key roles" until he formally, retroactively retired in 2002. Yet, Gergen insists, this was "a sloppy mistake" but not "an attempt to mislead."

According to the [New York Times](#), there is another reason over the confusion regarding Romney's time at Bain. When he left in 1999, "Mr. Romney appeared to be leaving open the possibility that he would return to Bain. His leave was originally characterized as part-time." However, when "the Olympics job quickly became all-consuming," Romney "delegated his management powers to the active partners."

The Times article quotes the Securities and Exchange Commissioner under President George W. Bush, Harvey L. Pitt. The latter notes that Obama's campaign trades on confusion between "the ownership interest" of a company and its "managerial functions." "When Bain takes positions in public companies, they're required to show anyone who has an ownership interest that could be the effective equivalent of



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control. So Romney has to be shown on those filings. If they didn't show them on those filings, they would have broken the law," notes Pitt. "But," he concludes, "it has nothing to do with who's actually running Bain Capital."

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