



Written by [Raven Clabough](#) on May 21, 2010

## Shorebank — Another Example of “Cronyism”

Obama’s connections to less than reputable characters and groups like Goldman Sachs, the Chicago Climate Exchange, “Fannie and Freddie,” former Chicago Governor Rod Blagojevich, Franklin Raines, Bill Ayers, Van Jones, Reverend Jeremiah Wright, etc. (the list appears infinite) have placed Americans in the unfortunate position of having to question everything that the government says and does. This epiphany has forced the Central Illinois 9/12 project to investigate the suspiciously preferable treatment Obama and his cohorts have provided to the Chicago-based, community-based investment bank, Shorebank.



According to the 9/12 group, Shorebank is “focused on domestic and foreign microfinancing, is heavily engaged in the financing of ‘green’ projects and ‘green’ jobs, and has a host of ties to the Obama and Clinton administrations.” In addition to that, Shorebank contributed heavily to the campaigns of Barack Obama, Rep. Jan Schakowsky, and Sen. Dick Durbin, as well as Democrats across the country. They’ve also donated to left-wing organizations like MoveOn.org. The Chicago News Bench adds, “Over the past decade, ‘green’ Shorebank has become a shill and a front for the cap-and-trade crowd and those with a radical environmentalist agenda.” Perhaps most intriguing is that the Joyce Foundation is a major shareholder of Shorebank, the same foundation that has been interconnected to the Chicago Climate Exchange and the entire cap-and-trade scheme.

What is suspicious about the federal government’s relationship to Shorebank is simple. While 10 other Illinois banks were closed in 2010 alone, local and federal government agents have fought vehemently to keep Shorebank afloat. In 2009, Shorebank received \$35 million in federal funds for grants and tax credits. Unfortunately, the bank still reported losses of \$50 million in the same year, prompting a “cease and desist “ order by the FDIC, as well as by the Illinois Department of Financial and Professional Regulation.

Chicago Congresswoman Schakowsky and Senator Durbin favored providing state help to the bank, but when Shorebank discovered another route for financial support in February 2010, they seized it. The *Chicago Daily Observer* cites the 9/12 project: “Secretary Geithner proposed ‘enhancement’ to TARP funds specifically aimed at community development banks that would allow them to receive capital investment funds at a 2 percent rate (compared to the standard 5 percent rate) and to receive federal TARP funds that would be matched to funding received from private institutions.” In a furtive attempt to assure that Shorebank is eligible for the funding, Schakowsky argued that the funding would function as a “jobs program for the area.”

In order for this to work, Shorebank must be recognized as a “Community Development Financial Institution.” If so, it is eligible to receive TARP money and prevent seizure by the FDIC. Likewise, the bank must receive matching funds from private institutions, ironically, many of which received



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government bailout money, including J.P. Morgan Chase and Bank of America. Of the private financial sources aiding Shorebank, the most notable include General Electric, Goldman Sachs, and Citigroup, which contributed \$20 million each to Shorebank.

In addition to Shorebank's impending bailout, Americans are concerned with the "cronyism" evident in the efforts to rescue the bank. Those involved can also be connected to Crime, Inc., the term given to the movement [toward global government](#), most importantly, Barack Obama, George Soros, Jeremiah Wright, and Van Jones. Biggovernment.com does an excellent job of connecting the dots in the article "[The Star Players in the Shorebank Story](#)."

The Central Illinois 9/12 project articulates the frustrations of many Americans when it concludes, "The people of Illinois are tired of bailouts. We know that the \$700 billion TARP bailout was a failure. We know that Illinois — which cannot even afford to pay state pensions — cannot afford to start bailing out banks. And we are tired of seeing our elected representatives using our tax dollars to help their cronies and contributors."



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