

When Fraud Is Legal

Several readers responded to [yesterday's column](#) with emails criticizing us for stopping short of using the L-word--lie--to characterize President Obama's repeated statements to the effect that "If you like your plan, you can keep it." We did use the word in [Tuesday's column](#), although we allowed for the alternative possibility that the president "suffers from a dissociative disorder, a pathological disconnection with reality."

But maybe "Did the president lie?" isn't the best way to frame the question. That thought occurred to us when we read this exchange between radio host [Hugh Hewitt](#) and guest Jonathan Alter, a liberal journalist and fierce Obama supporter. The clip Hewitt plays features Clarence Page, a Chicago Tribune columnist who also supports Obama:

Hewitt: And here is what Clarence Page, he stunned me on my program earlier this week, by doubting the president's veracity when he made that statement. Here's the exchange with Clarence.

Hewitt: *He knew he was lying?*

Page: *Probably. Probably. But that's one of those political lies.*

Hewitt: Do you agree with Clarence?

Alter: Wow. I don't know exactly how to react to that, because first of all, I don't know when the statement was that he made it, that he made when he said you know, you absolutely will be able to--was that in 2008? Was that in early 2009?

Hewitt: He said it many, many times throughout 2009 when he was selling the bill.

Alter: Yeah, so I think where Clarence is right is that politicians in order to get stuff through, they often make a lot of nice-sounding promises that they then can't necessarily keep. But it's very, in terms of whether he lied or not, I think it's very important to know whether he said it before or after the law was passed.

Hewitt: If he said it after, if he said it before the law was passed.

Alter: It was a moving target. If he said it before the law was passed, then I wouldn't call it a lie, because, you know, the law went through a number of permutations. If he said it after the law was passed, then he knew that wasn't going to be true.

While Alter's logic is not unassailable, it is defensible. If Obama made the statement before the law had been crafted, then perhaps he was simply making an unrealistic promise, like "Read my lips: no new taxes." But if he said it after, then he was falsifying the actual content of the law.

The answer to Alter's question is that Obama said it both before and after the law was enacted. The famous [New York magazine montage](#) features two dozen clips of Obama saying essentially the same thing. The earliest dates from October 2008; the latest, September 2010. So perhaps it is an unrealistic promise that turned into a lie.

But calling it a "lie" offers Obama another excuse--the one to which Page resorted when he observed dismissively that "that's one of those political lies." After all, politicians break promises all the time, and isn't it a little naive to expect them not to lie?

It seems to us, however, that this is not just "one of those political lies." To understand why, let's try a thought experiment.

Suppose BHO Insurance Co. decides it wants to corner its state's market in automobile coverage. It begins an aggressive ad campaign offering a too-good-to-be-true deal: *Sign up with us, and we'll give you better coverage at lower premiums. We're so sure you'll love our deal that if you like the terms of your existing policy, you'll be able to keep them--GUARANTEED!*

The ad campaign, with the company's charismatic president acting as pitchman, is a smashing success. The competing companies lose so much business that they declare bankruptcy or are acquired by BHO. But BHO's policies are more expensive, and they include

"comprehensive" coverage most customers neither need nor want. Take it or leave it, the company says, reneging on its guarantee in the knowledge that state law requires cars to be insured before they can be driven on public streets.

You'd call that a bait-and-switch. The legal term is fraud.

Perhaps the president-pitchman could escape criminal charges by claiming he was just a figurehead--that subordinates developed and executed the fraud without his knowledge. But certainly the company would face at least civil liability, and its president could be held responsible for negligence.

It seems to us that morally speaking, [ObamaCare](#) is the rough equivalent of our fictional scenario. The most salient difference is a way in which ObamaCare is worse than BHO Insurance Co.: The ObamaCare fraud was conducted irrespective of the volition of the "customers." Obama and his compatriots were able to carry out their scam merely by twisting arms in Congress's back rooms.

Legally, however, the two scenarios are entirely different. Whereas BHO Insurance Co.'s scam is against the law; [ObamaCare](#) is the law. Thus there is no evident legal recourse for those who were injured by Obama's fraudulent promise--for people like reader Kathleen Crowley, who writes:

My health-care policy was cancelled, and the Obama administration's explanation that policies are being cancelled because they were "substandard" and issued by "bad apple" insurers is absolutely not true.

I had a very comprehensive policy, with a large and solid national health insurer, and the reasons my policy was not "ACA compliant" is because I now have to pay for maternity coverage, general pediatric coverage and pediatric dental coverage, as prescribed by ObamaCare. I'm 55 years old, have no children and don't plan to have children. Clearly, I am beyond childbearing age, and without children. Why would I have to purchase pediatric dental insurance? Or general pediatric care?

ObamaCare is forcing people to purchase a product that they don't want and can't ever use. I do not need maternity or pediatric services but have to purchase them. The new policy that would have been "comparable" to my current policy is more expensive with higher deductibles.

The president's comment of "shop around" is so smug. I sat on hold with an insurer while "shopping around" yesterday for over 20 minutes and finally gave up because I had work to do. I'll now have to factor quite a bit of time into my day to "shop around" since this president's dictates have resulted in my loss of health insurance I liked very much, and the market is now flooded with other people "shopping around."

For the victims of governmental fraud, the only recourse is political, which is to say that it entails relying on the same government that perpetrated the fraud.

When it enacted ObamaCare, Congress relied on its constitutional authority to regulate interstate commerce. The Supreme Court held that Congress had exceeded that authority, but only with respect to one particular provision, the mandate that all individuals purchase medical insurance. There is little dispute that under more or less settled case law, Congress would be within its authority if it simply nationalized the insurance industry, or any other industry.

The regulation of commerce is a necessary and vital governmental function. Consumers and honest businesses need protection from unscrupulous market participants. That is nearly impossible when an industry is owned, or effectively controlled, by the government. To socialize an industry is to put it in a position to regulate itself. It legalizes fraud by recasting it as mere "political lies."

[Math Is Hard](#)

"Food stamp benefits will be cut to more than 47 million Americans starting Friday as a temporary boost to the federal program comes to an end without a new budget from a deadlocked Congress to replace it," USA Today reports:

Under the program, known formally as the Supplemental Nutrition and Assistance Program, or SNAP, a family of four that gets \$668 per month in benefits will find that amount cut by \$36. . . .

In California overall, the cuts will affect more than 4 million residents and will amount to the equivalent of losing roughly 21 individual meals per month, based on calculations used by the Department of Agriculture, the [San Jose Mercury News](#) reports.

These numbers, all of which come from the Mercury News report, don't seem to add up. A reduction of \$36 amounts to 5.7% of the stipulated \$668 allotment. Assuming a family eats 90 meals a month and is unable to make individual meals cheaper, a cut of 5.7% would reduce the number of meals by only a bit more than five--5.13 to be exact.

The answer must lie in the somewhat cryptic phrase "individual meals." If a family meal for the somewhat cryptic phrase "individual meals." If a family meal for a four-person family constitutes four "individual meals," then the numbers work: 5.13 multiplied by 4 comes to 20.52, which rounds up to 21. But in that case the arbitrary standard of a "family of four" makes the cuts sound much more severe than they are. "Twenty-one individual meals per month" sounds a lot more severe than "slightly more than one meal a week."

Note too that these calculations assume that food-stamp recipients rely on the program to pay for all their food costs. That would appear to go against the spirit of SNAP. After all the S stands for "supplemental."

[Other Than That, the Story Was Accurate](#)

"This post was based on an anonymously sourced item at YourJewishNews that subsequent reporting has revealed to be false. Sources I spoke with at the Gur Kollel in Jerusalem say that soy products have not been banned. The original, incorrect post remains below."--Slate.com, Oct. 31

[Fox Butterfield, Is That You?](#)

"Unrepentant Terrorist Ayers' Bomb Bombs, Despite MSNBC Support"--headline, Breitbart.com, Oct. 31

[Out on a Limb](#)

- "Congress Likes Spending More Than Cutting, Study Says"--headline, [Washington Times](#) website, Nov. 1
- "Obama's Credibility Is at Risk"--headline, [National Journal](#), Nov. 2 issue
- "Obamacare Fiasco Proves President Is No Chess Master"--headline, [Jonah Goldberg](#) syndicated column, Nov. 1

[Life Imitates 'Saturday Night Live'](#)

- "Millions of Americans are visiting [healthcare.gov](#), which is great news. Unfortunately, the site was only designed to handle six users at a time."--[Kate McKinnon](#) as [Kathleen Sebelius](#), Oct. 26
- "Early enrollment figures are contained in notes from twice-a-day 'war room' meetings convened within the Centers for Medicare and Medicaid Services after the website failed on Oct. 1. They were turned over in response to a document request from the House Oversight Committee. The website launched on a Tuesday. Publicly, the government said there were 4.7 million unique visits in the first 24 hours. But at a meeting Wednesday morning, the war room notes say 'six enrollments have occurred so far.'"--[Sharyl Attkisson](#), CBSNews.com, Oct. 31

[Wanted: Dead or Alive](#)

"WH Asks for Pictures of People Who Have Enrolled in ObamaCare"--headline, Breitbart.com, Nov. 1

[Must've Mixed Him Up With Sen. Blunt](#)

"VP Joe Biden Calls Sen. Bob Menendez 'Racist'"--headline, Star-Ledger website (Newark, N.J.), Oct. 31

[So Much for the 13th Amendment](#)

"RBS to Accelerate Sale of Citizens"--headline, WSJ.com, Nov. 1

[Atlas Shrugged](#)

"[Kim Kardashian](#) Gave World 'Middle Finger' With Baby-Weight Loss"--headline, Los Angeles Times website, Oct. 31

[Questions Nobody Is Asking](#)

- "What Do Republicans Say if Obamacare Works?"--headline, [Washington Post](#) website, Oct. 31
- "Are you participating in the New York City Marathon and worried about being subject to racial profiling? Email [address redacted]"--tweet, [@ajam](#) (Al-Jazeera America), Oct. 31
- "Piers Morgan to Ann Coulter: 'Could You Ever Imagine Dating Bill Maher?'"--headline, [Puffington Host](#), Nov. 1

[Answers to Questions Nobody Is Asking](#)

"No, Dressing as a Sushi Chef Isn't Racist"--headline, New York Post, Oct. 31

[Question and Answer--I](#)

- "What Else Could Go Wrong With Obamacare?"--headline, [CNN.com](#), Oct. 30
- "An Obama Voter's Cry of Despair"--headline, [CNN.com](#), Nov. 1

[Question and Answer--II](#)

- "Biden's Niece: Don't You Know Who I Am?"--headline, [New York Post](#), Oct. 30
- "The Shocking, Stabbing Pain Disorder You've Never Heard Of"--headline, [CNN.com](#), Oct. 7

[Look Out Below!](#)

"When Insurers Drop Policies: Three Stories"--headline, New York Times, Nov. 1

[News of the Tautological](#)

"As Ken Cuccinelli Rebounds, Terry McAuliffe Warns He Could Lose"--headline, Washington Examiner, Oct. 31

[Breaking News From 1983](#)

"Stop Freaking Out About Star Wars"--headline, Puffington Host, Oct. 31

[Breaking News From 1993](#)

"PRUDEN: Spoiled Baby Boomers Infest Self-Indulgent White House"--headline, Washington Times, Oct. 31

[News You Can Use](#)

"A How-To Guide to Blowing Up the Constitution"--headline, NationalJournal.com, Oct. 31

[Bottom Stories of the Day](#)

- "Young Professionals Are Flocking to Raleigh, Not Oklahoma City, in One Interactive"--headline, [NationalJournal.com](#), Nov. 1
- "Peter King Assails Republican Party After Shutdown"--headline, [Associated Press](#), Nov. 1

[Deep Background](#)

Politico reports that President Obama has been holding a series of White House meetings with newspaper columnists and other opinion journalists. Although the sessions are private, readers are treated to this scoop:

"The president is thoroughly convinced that the course he has set out is correct, and that his opponents are either wrong-headed or crazy or, in the case of [House Speaker John] Boehner, insufficiently courageous," said a journalist who has attended off-the-record meetings.

This columnist has never even met Obama, but we could've told you that years ago.

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