

A Celebration and a Scandal of Our Very Own

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President Obama's historic Diwali message to commemorate the South Asian holiday spread virally throughout my community on Friday, springing from the outboxes of even my most politically apathetic friends. Within an unusually prosperous, tight-knit and growing group of more than 2 million in the United States, it was yet another confirmation that *Desis* (a term referring to immigrants from South Asia and their children) have arrived. However, the oft-cited reason for our success, tight social networks bound by common values and ethnicity, can also be cast unfavorably.

Thus, it was an interesting coincidence that Friday also marked the high-profile arrest of billionaire hedge fund manager Raj Rajaratnam, who once had been celebrated as a community success story, emigrating from Sri Lanka and attending the Wharton School, eventually founding the Galleon Group, a fund managing billions of dollars for wealthy individuals and institutions. In what is being described as the largest insider trading case involving hedge funds to date, Rajaratnam is accused of trading on inside information supplied by several technology company executives and consultants, some fellow Wharton alums, that provided him an unfair and illegal advantage.

As a business school professor who writes about corporate social responsibility, I found the specifics of his alleged transgressions sadly familiar. As a South Asian American who follows his community with great interest, a few particulars stood out. Of the co-defendants listed in the October 18th New York Times piece on the arrest, both had South Asian names, even though 3 additional individuals were charged. Moreover, Rajaratnam has previously been suspected of contributing to controversial charities in his native Sri Lanka, where the stock market dipped on Monday over worries about the man who was once the largest investor in the country. In a last ironic twist, Preet Bharara, the U.S. attorney handling the case against Rajaratnam, is another successful Desi.

The struggle for our community, like many before us, has been to penetrate the elite networks of American society, and the details of this story confirm that we have succeeded in unexpected ways. When studies of South Asians in the U.S. attribute our economic prowess to strong social ties, the anecdotes are more likely to be about Indian motel owners lending money to recently immigrated friends and relatives to buy a Super 8, than about billionaires conspiring to defraud investors from the top of the financial industry with a little help from their friends from a leading business school.

As we pull back the curtain on this darker side of social capital, many parallels emerge to the Bernie Madoff scandal, and this case will likely inspire the same kind of soul-searching that occurred in the Jewish community last year. Do we too often accept common faith or color in place of adequate due diligence? How closely should we scrutinize the sources of funding for our charities, especially when it involves facing difficult questions that divide us internally and expose us publicly? Does our success at the highest levels of society come at a cost?

However, if the media focuses on the ethnic network aspect of the case, it might also inspire some justified indignation. After all, did it ever really matter that Madoff was Jewish and does the common ethnicity of some of the defendants make the Rajaratnam story any more interesting than a typical insider trading case? If these two men were not members of successful minority groups, would their stories have been covered differently?

The balance between engaging in necessary introspection and guarding against conspiracy theorists is a delicate dance for upwardly mobile sub-cultures in any society, and my community will have to find its own way. Whatever the result of the Rajaratnam case, by next year's Diwali, I rest assured that we will have many more success stories and our proportionate share of scandal. Interestingly, both varieties will be inextricably tied to our strong social fabric, which as we learned last Friday, can be an asset and a liability, celebrated and scandalized.

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