Chapters 40-41 of Jeremiah tell the story of Gedaliah son of Ahikam, appointed by the king of Babylon as governor of those Judeans who had not been exiled. This occurred some time after the Chaldeans had put down the Jewish revolt (c. 586 BCE), resulting in the destruction of the Temple and the exile of the social elite. Since the Neo-Babylonian king, Nebuchadnezzar, was aware that many Judeans (such as Gedaliah and the prophet Jeremiah) had opposed the revolt, he was willing to give the Jews who remained a chance to live and rebuild their country. The new governor was supported by Jeremiah and many others of the peace party. Gedaliah intended to restore some semblance of normal life to the land while it was under Chaldean rule, and he invited Jews who had sought refuge in neighboring countries to return. However, this period of semi-autonomy was short-lived as Gedaliah was assassinated by Ishmael son of Nethaniah, a fellow Judean, whom Baalis king of Ammon had sent to kill him. Fearing retaliation by the Babylonian king, the remaining Judeans fled to Egypt, taking Jeremiah with them.

The first tragedy in this story is the murder of a Jewish leader by a fellow Jew. The biblical narrative does not explain why Ishmael wished to kill Gedaliah. It seems likely that he regarded Gedaliah as a traitor, and the fact that Ishmael killed some of the Chaldean troops along with Gedaliah indicates that he may have wanted to continue the war against them (Jer. 41:3). We are also told that Ishmael was of royal descent (41:1), suggesting that he considered himself more fit than Gedaliah to rule. There is an additional element, however, since the text (40:14, 41:15) relates that he was sent by the neighboring king of Ammon, indicating that Gedaliah's assassination may have been part of an Ammonite move against Chaldean interests in the region.

When Johanan ben Kareah (of the peace party) discovered that Ishmael was bent on killing Gedaliah and warned him of this, the new governor simply dismissed it as an unfounded rumor (40:15-16). The Talmud (TB Niddah
61a) cites Gedaliah's naïve refusal to heed the warning as an example of the lesson that "although one should not accept this leshon ha-ra [evil speech] as a fact, one should take note of it." Apparently, Gedaliah could not believe that a fellow Judean would want to kill him. While his optimistic attitude may have given him the strength to try and rebuild a shattered nation, he lacked the shrewdness needed to beware of enemies who did not share his vision.

After the murder of Gedaliah and his allies, a group led by Johanan ben Kareah succeeded in freeing many of the hostages who had been taken by Ishmael, although the assassin and his accomplices managed to escape and find refuge in Ammon. The murder of his appointee enraged the king of Babylon and even the loyalists feared that he would now punish the survivors. These loyalists then asked the prophet Jeremiah, who had also opposed the revolt, if their planned escape to Egypt was approved by God. When the word of the Lord was not for the people to seek refuge in Egypt but to stay put, they refused to obey God's command and even forced Jeremiah to accompany them to Egypt (Jer. 42-43). This was the second tragic outcome of Gedaliah's assassination.

The third tragedy involved a reversion to idolatry by many of the Judean exiles in Egypt, who started to worship the moon goddess known as the Queen of Heaven. They blamed all the calamities that had afflicted the people on heeding the admonishment of the prophets to worship only the God of Israel (Jer. 44:15ff). When Jeremiah heard these arguments from his fellow Jews, he realized that all the preaching and instruction by him and by prophets of the First Temple era had been in vain. This was the third tragedy resulting from the murder of Gedaliah and its repercussions, which deprived the Judeans of a leader in their own country. It signified a rejection of the God of Israel and a return to idolatry.

These three tragedies mark a reversal of the Exodus from Egypt. Then, the people had been rescued from Egyptian slavery by the prophet Moses, fulfilling God's command; now they had brought the prophet Jeremiah back to Egypt, ignoring God's clear disapproval. The relapse into idol worship in Egypt recalls the prophet Ezekiel's description of the Egyptian "fetishes" with which the enslaved Israelites had defiled themselves (Ezek. 20:7-9). Even the idea of Israeliite infighting is mirrored in the period of Egyptian slavery,
when Moses tries to break up a fight between two Hebrew slaves (Ex. 2:13). Although the Gedaliah episode may be seen as a minor tragedy when compared to the destruction of the First Temple and exile to Babylonia, it marks the dashing of any hopes of restoration, and a reversal of all that had been accomplished generations earlier by the Exodus from Egypt.