Tricks, Skullduggery, Fraud: Crime & Finance, the Decisive Years, 2009–2014

Xavier Raufer

Abstract

Decisive because they constitute our historical depth, the foundation of the second decade of the 21st century, the post-crash Wall-Street-Lehman-Brothers years are certainly close, but poorly known, studied, and analyzed.

Keywords: crime, finance, fraud

Trucos, engaños, fraude: crimen y finanzas, los años decisivos, 2009–2014

Resumen

Decisivos porque constituyen nuestro fondo histórico, la base de la segunda década del siglo XXI, los años posteriores al desplome de Wall-Street-Lehman-Brothers son ciertamente cercanos, pero poco conocidos, estudiados y analizados.

Palabras clave: crimen, finanzas, fraude

诡计、隐秘活动与诈骗：犯罪与金融——关键的2009-2014年

摘要

2009-2014年是关键的几年，因为其构成了我们的历史深度，并且是21世纪第二个十年的基础。这几年发生在华尔街-雷曼兄弟破产之后，与当前时代当然很接近，但却几乎没有被了解、研究和分析。

关键词：犯罪，金融，诈骗

doi: 10.18278/ijc.10.1.9

> "Does it take great insight to grasp that men's ideas, conceptions and notions, in a word their consciousness, change with any change affecting their living conditions, their relationships and their social existence? What does the history of ideas demonstrate, except that intellectual production is transformed with material production? The dominant ideas of an epoch were never but the ideas of the dominant class." Karl Marx, Friedrich Engels, *Manifesto of the Communist Party*, 1847.
>
> —For Karl Marx, the infrastructure determines the superstructure. Hence, the capitalist ownership of a media necessarily influences its vision of the world. Thus, the "configuring powers" of the neo-world have mutated into an *infosphere* associating various billionaires with the new "bands of capital": media, communication and advertising agencies, the world of entertainment.

"One put in people's heads that the society raised of the abstract thought, whereas it is made of habits, of uses, and that by grinding these under the millstones of the reason, one reduces the individuals to the state of atoms, interchangeable and anonymous." Claude Lévi-Strauss, "De près et de loin, entretiens," 1988.

"May (1968) brilliantly fulfills the wishes of capital, even if it means violating its taboos and running its wrath ... May 68 is the cradle of the new bourgeois society ... The Stock exchange brokers, and the Sorbonne agents of change drive out De Gaulle." Régis Debray, *Modest contribution to the speeches and official ceremonies of the tenth anniversary*, 1978.

Criminological, this study concerns an economic-financial world whose foundations and strategic depth must be understood. A guide is therefore necessary. Here, the best is without question:

"*Chronicle of a very big crisis - A global financial shock of more than 20 trillion euros,"* by Mr. Jean-François Boulier, MA-Editions, 2017.

Its first three chapters (32 pages in all) clearly explain the crisis (before/during/after) in simple, jargon-free language; multiple boxes dissect the technical terms of American finance, their ins and outs. Recommended reading.

Introduction

Decisive because they constitute our historical depth, the foundation of the second decade of the 21st century, the post-crash Wall-Street-Lehman-Brothers years are certainly close, but poorly known, studied, and analyzed. For the United States first, and then for the political and financial sphere of the developed countries, they are THE perfect nightmare, the hangover to forget. The United States is a master of collective forgetfulness: the insolent and provocative writer Gore Vidal described his country as the *United States of Amnesia*.

This study is criminological, not economic-financial: it enumerates and comments on the skullduggery, deceit and fraud committed with impunity by New York finance first, and then by international finance; all wrapped in a protective ideological shell that a little teasing, we once called DGSI (Davos-Goldman-Sachs-Ideology).

Reminder: the financial and then economic crisis of 2007-2008 was first the collapse of the so-called *subprime* securities market, amounting to ± 500 billion dollars; then, as a result of the "prairie fire" effect, a final cost to the world economy of ± 20,000 billion euros.

In the background, globalization[1]

First, there was the lyrical illusion. The illusionist was Jacques Attali, 23 years ago—or 23 centuries. Let's read it: "They will not own companies, lands or offices. Rich in nomadic assets, they will use them nomadically, for themselves, promptly mobilizing capital and skills in changing sets, for ephemeral purposes in which the State will have no role. They will not aspire to lead public affairs (fame will be a curse for them). They would like to create, to enjoy, to move. Connected, informed, networked, they will not worry about bequeathing wealth or power to their few children: only education."

"They will carry the best and the worst of a volatile, carefree, egotistical and hedonistic society, divided between dreams and violence. The hyper-class will group together several tens of millions of individuals. They will be attached to freedom, to citizens' rights, to the market economy, to liberalism, to the democratic spirit. They will vote, create consumer associations, cultivate and develop a keen awareness of planetary issues; in the long run, they will be more interested in the human condition than in the future of their own offspring."

Pure and perfect definition of Davos-Goldman-Sachs-Ideology, or DGSI. To this, let us quickly bring the counterpoison:

1 *Revue Défense Nationale* – "10 /2012 European vulnerabilities, finance too " - Jacques Sapir " the de-globalisation " - Le Seuil 2011 - Hervé Juvin " The reversal of the world ", Le Débat-Gallimard, 2010 - Jacques Attali, " XXI century's dictionary - Fayard, 1998

Globalization fetishism

(Jacques Sapir): The warship has always preceded the merchant ship ... [globalization] "has caused the destruction of the social bond in many countries and confronted countless masses with the specter of the war of all against all, with the shock of a forcible individualism, which foreshadows other regressions, much worse still...."

Free trade - globalist ideology

(Hervé Juvin): A system "that no longer knows itself from the outside, that refuses to let anyone be a stranger to its cults and its pumps, that wants to be the world's system, unique and closed like a bubble ... Who are these masters who do not say their names and whose decisions weigh on the life of each of us, from Shanghai to Mexico City and from Tulle to Diego Suarez? [They make us] A war in which individualism is the flag and cultural products, the heavy artillery."

Market Ideology

Human action recedes, and sometimes fades, before the quasi-mythical, even supernatural "forces" of the market. Yet:

(Hervé Juvin): "The financial markets have become a strategic space—and one of predation—in their own right. Battles take place there, most often without noise, without glitter, but not without victims. The ideology of the market is the obliteration of politics. Political leaders abandon the economy and finance to the markets. They no longer control or punish at all; it is up to them to repair, mitigate, console and entertain. Society no longer decides anything; it is now doomed to *compliance*.

All at the base, the base

The liberal-libertarian neo-world is based on the illusory idea that "everything that counts, counts." This neo-nominalism is the worst strategic trap in which companies and States can fall, which then take words for things, pen feels that reality is in the accounts and that the form decides the substance.

Neo-nominalism that is now crushing the American academic world[2]: "In the meantime, the *management* culture is imposing *management-by-behavior* standards on universities. One of these rules requires the academic bureaucracy to reduce everything to measurable data, which is now the only thing that is accepted: the number of publications and students, student population surveys, grants, revenues and, of course, the crucial impact, or rather fetishism, surrounding the famous "H-Index" [*the* h-Index *establishes a researcher's productivity and impact*

2 *Counterpunch* - July 28, 2021 "Academentia: the organization insanity of the modern University."

by measuring the number and level of his or her citations.] Researchers are thus reduced by these bureaucrats to mathematical equations."

As usual, everything was pre-said: the crash of 2008-2009, why, how[3]

The crash of 2008-2009 is even more serious because its actors act from an inviolable base, where they conceive their maneuvers, mobilize resources; finally, stash the loot. This contemporary Turtle Island of financial piracy is the archipelago of tax havens and *offshore* accounts. In 2013, there were 50 to 60 of these "havens" in the world, holding between $8 trillion and $32 trillion—a huge range that shows how little is actually known.[4]

As usual, the immense danger represented by this unstoppable fraud tool had long been detected and the President of the United States warned. Indeed, in 1937, the Secretary of the Treasury Henry Morgenthau warned Franklin Roosevelt as follows: "The [*offshore*] companies are frequently organized zed through foreign lawyers, with dummy incorporators and dummy directors, so that the names of the real parties in interest do not appear" (the English used to be clear, we keep the original).

Large American groups, their taxes and tax havens[5]

Around 1950, the profits of American companies were ± 50% captured by the federal or state tax authorities. In 2018, these large groups were in fact taxed at ± 14%, due to globalization and their ability to be "taxed" in tax havens. Excluding the oil sector, the majority subsidiaries of U.S. multinationals had (in 1966) ± 10% of their profits declared outside the United States; ± 50% in 2018.

3 *Washington Post* - 7/04/2013 "Piercing the secrecy of offshore tax heavens" - *International Herald Tribune* - 14/12/2012 "When investors put profit before principles" - *La Tribune* - 19/11/2012 "'Shadow banking: the shadow banking system that was worth $6700 billion" - American Society of Criminology - 2012 Annual Meeting - 11/17/2012 "Enablers of organized crime session - Illicit financial flows and safe heavens of transnational organized crime" - *Le Monde* - 8/14/2012 "Offshore finance" - *La Tribune* - 7/22/2012 "Super-rich: up to $25 trillion hidden in tax pa radishes" - *BBC News* - 7/22/2012 "Tax heavens: super-rich hiding at least $21 tn. " - *Le Monde* - 16/06/2012 "La 'finance de l'ombre' dans le viseur de Bruxelles" - *Global Research* - 24/10/ 2011 "Reckless endangerment: totally corrupt America" - *Alternatives économiques* - 1/06/2011 "La fraude banalisée?" - *Libération* - 6/11/2010 "I saw a man destroyed by money in eleven days" - *New York Review of Books* - 12/09/2009 "How we were ruined and what we can do" - *Nouvel Observateur* - 25/01/2009 "Crisis: how banks use drug money" - *AFP* - 24/01/2009 "Many banks saved by drug money."

4 In August 2012, a study by experts (economists, lawyers, etc.) from the *Tax Justice Network*, "The Price of Offshore Revisited" evaluates, in tax havens, only the liquid assets held by private *equity* funds: this gigantic financial "black hole" "weighs" between $21,000 billion and $32,000 billion and is owned by about 10 million individuals; within that, ± 100,000 super-rich people own one-third to one-half of the loot. And the study omits non-financial assets: real estate, yachts, gold, private planes, etc. Three banks manage most of these offshore funds: UBS, Credit Suisse and Goldman Sachs.

5 *New York Times international* - 07/13/2021 "Shut down the global tax havens."

Accelerated-before, three-quarters of a century later. Despite the explicit warning of H. Morgenthau, tax havens have proliferated in the world; they have produced all their harmful effects and aggravated the crash of 2008-2009; but in the economic and financial world, notice experts "impunity is generalized"; despite the immense crisis, not a single financier has done a day in jail.

Before the Wall Street crash of 2008, there was the crash of the American *Savings & Loans* in the early 1980s. Bill Black, a professor at the University of Kansas-City and former general inspector of the Savings & Loans network at the time of their failure, also warned: "If you don't look for fraud, you won't find it. If you look for it at, you will see it everywhere." By financial fraud, B. Black meant the following *knowingly criminal* practices:

- Transgression of the laws of the market,
- Accounting concealment techniques,
- Illicit financial innovations.

All this, and more, is at work on Wall Street since the year 2000. And this is how the criminal balloon of the *subprimes* swells, inflates, and explodes.

- Millions of families borrow money for housing without any guarantee of repayment,
- Lenders lend with little concern for repayment,
- Their unsecured loans are "*securitized*" (aggregated into financial products), receiving fraudulently the "Triple A" of complicit or hostage rating agencies, knowing perfectly that they are worthless products,
- These securities are sold by banks (also knowing it) to their customers that they thus swindle; banks that, *at the same time,* play down, at a loss, on these same securities!

All of this was made possible by the massive deregulation of U.S. finance. Amusing coincidence: the senator who passed this law then became vice-president of the Swiss banking giant UBS.

In the bowels of the banking Moloch, *Hedge Fund* category[6] the mechanism is the following: always going to the limits, taking "shortcuts" through the standard ad put; always pushing more and faster its own executives and employees to the fault—only criterion? Performance! Investors in these funds don't care about rules and ethics: if there is a "shortcut," they look the other way. A voluntary blindness bordering on complicity: the investor accepts that one cheats for his own benefit; thus, implicitly encouraged, the operators border more and more on the illicit. Does it pass? Good. Do we get caught? Apologies are forthcoming. Such is the permanent practice.

6 In French, *Hedge fund* = hedge fund.

The crash hit Wall Street. In 2010, a young French broker (then caught up in the turmoil) was asked if this had changed in the last two years. His answer: "When we talk about Wall Street, we talk about market efficiency, performance, complex products: *bullshit*. Wall Street is driven by human nature, with two dominant feelings: euphoria and fear. Human nature has not changed, Wall Street has not changed. A *bis repetita* is quite possible."

Human nature again and again: everything is good to save its skin—money has no smell? Organized crime's money will do the trick when liquidity is scarce, as early as the first half of 2008. In January 2009, Antonio Maria Costa, Executive Director of the OUN Drugs & Crime (UNODC) warned that massive funds from money laundering were flooding into the international banking system. When States do not release emergency funds themselves: "In many cases, drug money is the only investment capital available ... Interbank credits have been financed with funds from drug trafficking and other illegal activities."

How does black money sneak into legal finance? Through a grey zone of supposedly "legal" professional services from Dubai, London, New York, Hong Kong, etc., which in fact facilitate the laundering and illicit financial transactions. These professional "facilitators" are corrupt bankers, accountants, lawyers, etc. According to the UNODC, 1,600 billion dollars were laundered in this way in 2011, 580 billion of which went to organized crime alone. Hundreds of billions of black money injected into legal trade and industry, corrupting markets, financial institutions, public officials, local institutions, etc. Examples:

- In March 2010, the American regional bank Wachovia had to pay a (ridiculous) fine of 110 million dollars: from 2003 to 2008, it violated the *Bank Secrecy Act*, by deliberately refusing to create within itself the slightest serious anti-money laundering. And completed more than 420 billion dollars of transactions with Mexican "exchange houses," notoriously linked to the local drug cartels.
- In the same year, *MoneyGram International* ("Global Money Services Business") was fined $100 million (again, a pittance) by the U.S. Department of Justice for deliberately not having an anti-money laundering program.

Financial technology is opaque and inventive; at any moment, it gives rise to new practices, which it applies on the spot, without concern for the famous "precautionary principle" which is now imposed on the world everywhere else; it launches new products, which are increasingly twisted and sophisticated; in the manner of chemical narcotics or doping products which can only be banned by detailing their precise chemical formula.

Heavily, painfully, the law ends up banning the new chemical drug, the new toxic financial product - but in the meantime, their inventors have already conceived others and are still "surfing" in this way, before the repressive waves hit. Such is the great strength of Goldman Sachs, whose gifted financiers are conceptually ten years ahead of the heavy-handed financial regulators trying to gold their

tricks; so agile and prescient that when the financial mess gets worse, they end up being called in to try to remedy it, whether at the national or international level, Mr. Mario Draghi is the most convincing example here.[7]

Just after the Wall Street crash, a "*shadow banking system*" *(SBS*) developed at full speed.[8] Here, non-bank entities play the role of banks: investment funds, money market funds (life insurance type), stockbrokers, etc., carrying out credit activities, such as "securitization" (*subprimes*: here we go again!), in which credits become securities. These "credit intermediaries, entities and activities outside the regular banking system" intermediate or distribute credit, but do not accept deposits *and are not regulated as banks* [we submit].

According to the G20's Financial Stability Board, 25 to 30% of the European financial system in 2010 is under the responsibility of such non-bank financial institutions, which, in total and for 2010, would already represent 46,000 billion euros. A fertile ground for future financial acrobatics; this freely, while after the crash-Wall Street, banks will have to—oh! slightly and only for a while—follow some rules, undergo some controls.

Post-crash *blitzkrieg*[9]

[The United States around 1791] "The mercantile spirit begins to

7 Vice President Europe of Goldman-Sachs (2002-2005), Governor of the Bank of Italy, 2006-2011, President of the European Central Bank 2011-2019, and President of the Italian Council since February 2021.

8 In 2002, the global *shadow banking* system was worth $26 trillion; in 2012, $67 trillion. U.S., $23 trillion; EU, $22 trillion; UK, $9 trillion (balance: rest of the world).

9 *New York Times International* - 02/26/2016 "U.S. recovery is favoring wealthier areas" - *New York Times International* - 02/23/2016 "Why are white deaths rising?" - *New York Times International* - 13/02/2016 "Widening gap in wealth plays out in life span" - *New York Times International* - 19/01/2016 "Global rich grow richer and richer still" - *Financial Times* - 24/12/2015 "How to give away a billion dollars" - *Le Parisien* - 2/12/2015 "Donating 99% of his Facebook shares: la belle opération fiscale de Zuckerberg" - *France-Info* - 2/12/2015 "Non, Marc Zuckerberg ne donne pas toute sa fortune à des oeuvres" - *New York Times International* - 7/05/2014 "Top fund managers make peers envious" - *Libération* - 3/05/2014 "Vous vous reprendrez bien un peu de caviar" -Le *Monde* - 3/04/2014 "La bonne fortune des milliardaires européens" - *AFP* - 9/04/2014 "67 personnes accaparent la moitié de la richesse mondiale" - *New York Times International* - 5/04/2014 "As corporate profits rise, workers get a smaller slice of the pie" - *Le Monde-Forbes* - 5/03/2014 "Billionaires and democracy" - *The Guardian* - 20/01/2014 "Oxfam: 85 richest people as wealthy as half of the world population" - *Libération* - 4/01/2014 "Les 0,00001 vous souhaite une très bonne année" -Libération - 11/10/2013 "Les riches se régalent, les autres dégustent " - *Le Monde* - 18/09/2013 "The 400 richest Americans are even richer than before the crisis" - *Financial Times* - 16/08/2013 "How the rich are ma king sure they stay on top" - *International Herald Tribune* - 15/04/2013 "Hedge funds titans scoop up billions in 2012" - *Global Research* - 14/08/2012 "The global 1%: exposing the transnational ruling class" - *International Herald Tribune* - 27/03/2012 - "The rich get even richer" - *Le Monde* - 28/11/2011 "A knot of 147 companies at the heart of the global economy" - *Le Monde* - 29/01/2012 "Two-thirds of Americans believe class warfare is back" - *The Atlantic* - July-August - 2011 "The rich are different from you and me" - *Financial Times* - 30/06/2011 "Top dogs take ever bigger slice of global spoils" - *International Herald Tribune* - 20/11/2010 "America, the hedge-fund republic? " - Libération - 22/10/2008 " For twenty years, inequalities have been getting worse in rich countries."

> invade them; the interest becomes in them the national vice. Already, the game of the banks of the di towards States is hindered, and bankruptcies threaten the common fortune." Chateaubriand - *Memoirs from Beyond the Grave*

The Wall Street crash provokes a revelation in liberal-progressive America, strongly marked by puritan moralism; let's say, to make it quick, the one that recognizes itself in the *The New York Times* (NYT): this America understands then that its country is no longer a democracy, but a plutocracy. The person who said this in November 2010 was their famous NYT columnist Nicholas Kristof. Citing the Washington-based *Economic Policy Institute,* Kristof points out that, in terms of social and economic inequality, the United States is (in 2010) WORSE than "all the banana republics of Central America":

- The richest 1% of Americans own 34% of the country's private wealth,
- The bottom 90% of Americans own 29% of the country's private wealth,
- The richest 10% of Americans own 70% of the country's private wealth.

A widening chasm: changes in inequality, 2010-2015

2011

- From 1976 to 2007, 58% of income growth was sucked up by the richest 1%. In 2007 (shortly before the crash), the top 1% controlled 34.6% of the U.S. national wealth; the bottom 90% controlled 26.9%. Under G.W. Bush (2002-2007), it was 65%. In the richest 1%, the 0.1% of the hyper-rich swallow 80% of the increase. 50% of the national product (*National Income*) goes to the richest 10% of the population.

The "Davos elite" reveals the predatory greed of this "international plutocracy": financial advantages ... the ability to manipulate markets for their own benefit. The idea appears that globalization aggravates inequalities.

At the heart of the global economy, a knot of 147 companies: a study by the Swiss Federal Institute of Technology in Zurich[10] looks at the ownership of the 43,000 largest companies in the world. If the total value of these companies is X, 80% of the value of X belongs to 737 companies and 40%, to 147 of them: ¾ of the

10 University of Zurich, 2011. The most powerful companies in the world, starting from a documentary base of 37 million companies in the economy and finance. At the top, 147 companies control ± 40% of the wealth of the other 37 million. In 2008, here are the first 25 of the 147: Barclays - Capital group companies - FMR corporation - Axa - State street corporation - JP Morgan Chase - Legal & general group - Vanguard group - UBS – Merrill Lynch - Wellington management - Deutsche bank - Franklin resources - Credit Suisse - Walton enterprises - Bank of New York Mellon - Natixis - Goldman Sachs - T. Rowe Price Group - Legg Mason - Morgan Stanley - Mitsubishi Financial group - Northern trust corp. - Société Générale - Bank of America.

financial sector. Here emerges a leading super-group, a mega-oligarchy, between collusion, influence and concentration. Example: the global financial market of derivatives is 96% controlled by THREE banks.

Prelude, from the end of 2008 ...

October 2008: the OECD (club of the then 30 richest countries in the world) decides: globalization is inequitable. Over the last 20 years, inequalities have increased in 3/4 of its member countries: "the richest have seen their income grow faster than that of the poor, even between the rich and the middle class." Moral: the liberal capitalist slogan according to which "the rising tide raises all boats" ("trickle-down effect") is a farce. The following demonstrates this.

2011

[*Pew Research Center*, Washington, December 2011] A lucid but powerless American people: "What is the N°1 conflict in American society?

1 - Between rich and poor,

2 - about immigration,

3 - about racism."

Abuse of financial capitalism ... accumulation of undeserved wealth ... growing gap between rich and poor ... Considering inflation, the average American income, from the 1970s to 2010, is unchanged or nearly so; that of the super-rich (0.01% of the population) is, over the same period, multiplied by 7.[11]

2012

We learn that in 2010 (a year of recession and crisis), an additional product (or surplus over 2009) of $288 billion was created; in the United States, the largest taxpayers (1% of total taxpayers) had an income of $352,000 or more that year. 93% of this $288 billion goes to this 1% of mega-taxpayers. 37% of this $288 billion goes to the top 0.01%, ± 15,000 households with annual incomes over $23.8 million.

Transnational plutocracy, ruling class or global power elite:

The world's wealth is estimated around 2010 at ± 200,000 billion dollars (2/3 of these fortunes, in North America or Europe). The richest half of the world's population has a net worth of $4,000. For the richest 10%, it is $72,000; for the top 1%, it is $588,000. The poorest half of the world owns 2% of the world's wealth. 2.5 billion people in the world live on less than US $2 a day.

11 See also on this topic: *International Herald Tribune*, 26/05/2012 "The shrinking American pie," "The great divergence – America's growing inequality crisis and what we can do about it." "The gap between rich and poor has been growing for the past 30 years in most of the world's advanced economies and especially in the United States ... What has mostly grown is the gap between those at the top and those in the middle.

The richest 1% of the world population represents ± 40 million people. Of these, 10 million have assets of more than US $1 million; 300,000 have assets of more than US$ 30 million. At the very top, a *superclass* of 6,000 to 7,000 decision-makers (Da your... private jets, etc.); 94% men, European or American, usually White. "At the very top, plutocrats can shape opinion by buying newspapers or TV stations and financing political campaigns ... They may not have been elected by anyone, but their influence on events is considerable ... The more unequal our societies become, the more we are prisoners of this inequality."

Added to this is the "shadow superclass" of criminal elites.

2013

[From 1973 to the beginning of 2013, that is ± 40 years, 80% went to the richest 2%, 65% to the richest 1%; the trend has accelerated since 2008 and the *subprime* crash. Yet from 2000 to 2012, the real wealth of 90% of Americans (all but the top 10%), decreased by 25%, due to the same 2008 crash.]

[*Journal of Economic Perspectives*] Distributive virtues of the market: "Market forces, i.e., the outcome of freely negotiated contracts, may have caused most of the rise in inequality. Globalization and technological change favor the most talented ... At the very top, markets emerge in which the winner takes all the stake; there, the best among takers (or the luckiest), fund managers, writers or athletes, capture the bulk of the gains."

Hedge Fund Titans in 2012: together, the 25 largest *hedge fund* bosses earned US $14.4 billion; together they manage US $2.6 trillion. The main ones:

Names	**Company**	**Earnings**
COHEN Steven A.	SAC Capital Advisors	1.4 billion USD
DALIO Ray	Bridgewater Associates	1.7 billion USD
TEPPER David	Appaloosa Management	2.2 billion USD
COOPERMAN Leon	Omega Advisors	560 million USD
SIMON James	Rennaissance Technologies	1.1 billion USD
GRIFFIN Kenneth C.	Citadel	900 million USD
MANDEL Stephen Jr.	Lone Pine Capital	580 million USD

It goes on in 2013: the earnings of U.S. *hedge fund* managers are $25 billion. The No. 1 earns 3.5 billion dollars (already, 2 billion in 2012); the No. 2, 2.4 billion USD; the No. 3, 2.3 billion USD, etc. The oligarchies concentrate wealth for their own benefit: 10% of the world's population trusts 86% of it; the 1% of the most affluent own 46% of the world's wealth.

[Forbes, 09/16/2013] In 2012, the wealth of the 400 richest Americans is ± $2 trillion, like the GDP of Russia. This is 300 billion more than in 2011, more than

double than in 2002. In the United States, the richest 10% own 90% of the stock market shares; the richest 1% of Americans capture ± 20% of the country's total income, the highest since 1913.

Meanwhile, the middle class is suffering in the United States, even more so since the brutal post-crash Wall Street recession of 2008. To the point that the American social fabric is fraying.[12]

2014

In 2013, the 300 richest billionaires in the world collectively became +$524 billion richer. Together they own $3.7 trillion, which is one and a half times the GDP of (then) France; 10 times the GDP of Venezuela; 100 times the GDP of Serbia; 1,000 times that of Burkina Faso.

[OXFAM] The 85 richest people in the world together own €1.23 trillion (£1 trillion); as much as the poorest 3.5 billion people (half the world's population) combined.

[27e edition of Forbes] At the end of 2013, the 1,645 billionaires in dollars together gained + 15% in one year, holding a total fortune of US $6.4 trillion: a rate much higher than that of the global economy.

As of May 2014, the top 1% of the world's population is capturing an ever-increasing share of global income growth. Why: "The globalization of the economy, and its financialization."

United States, spring 2014: corporate profits are at their highest in 85 years; wages (and bonuses, "compensation," etc.) are at their lowest in 65 years. After taxes, corporate profits are ±$1.7 trillion, 10% of U.S. GDP; wages and employee benefits (retirement, etc.) are $8.9 trillion, 52.7% of U.S. GDP, the lowest since 1948.

2015

There are 1,825 billionaires in the world. Altogether, their wealth is ± $7 trillion. In 2014, the global economy "weighs" ± $78 trillion. It has more than doubled in 30 years and the profits of this economy go on all to the richest 1% of the earth's people who as a result are ever richer.

LONGEVITY: In the United States, the disparity between the life spans of the rich and the poor is growing. In 1970, a 60-year-old in the wealthiest half of the population had 1.2 years more life expectancy than a 60-year-old in the poorest half. By 2001, the gap in average life expectancy had grown to 5.8 years.

In the generation born in 1920, the richest 10% live 6 years longer on average than the poorest 10%. For the generation born in 1950, it is 14 years more

12 Read also on this point: International Herald Tribune, 8/06/2013 "Snuffed out by big money" - "The Unwinding - an inner history of the New America" George Packer, Farrar, Strauss & Giroux, 2013.

life. For the head of a poor family, life expectancy in 1920 was 72.9 years; in 1950, 73.6 years. Head of a rich family, life expectancy in 1920, 79.1 years; 1950, 87.2 years.

Since the end of the recession due to the Wall-Street crash (2010), the disparity is increasing in core, between rich and poor; more and more, we have a two-speed America, between prosperous and miserable areas. Comparison by zip code: in poor zip codes, for example, houses are 30 years older than in rich ones. The (caricatural) case of Texas: two zip codes in the same city, San Antonio, the rich one, 4% of the population below the poverty line; the poor one, 42%.

The crash-Wall Street crisis is not hitting minorities, but first and foremost the American poor, those without college degrees. While the mortality rate is falling among blacks and Hispanics, it is rising among the least educated 45–54-year-old whites, the lower-middle class category. Ditto for their hourly wage rate, which loses 14% from 1973 to 2012.

"PHILANTHROPY" In 2015, Mark Zuckerberg, CEO and large owner of *Facebook*, is the 7th largest fortune in the world (*Forbes* = $44 billion). His "Chan-Zuck initiative," to which he claims to "give his entire fortune," has admirable intentions "to bring people together from all over the world, to promote equality for the children of the next generation ... connecting people to each other to build strong societies." Yet, this so-called generous self-propaganda enterprise:

- remains under its full control, as a *Limited Liability Company*;
- ideologically promotes its own business: *marketing* social interactions; investing in various companies and lobbies to influence the public debate;
- allows colossal tax deductions.

Good intentions ... sweet language; behind the scenes, predatory mentality and practices: the "philanthropy" of other *high-tech* billionaires is of the same barrel. And their propaganda, just as much: we are coming to that.

DGSI: the machine to devour the world[13]

Extracted from a Wall Street crash 2007-2009 with impunity, the most aggressive fraction of American and international liberalism-wilderness is adopting a new order of battle. For a Harvard sociologist, these are "predatory formations," a heterogeneous, geographically dispersed assembly of big group bosses, bankers, lawyers, accountants, scientists (mathematics and physics); global elites supported by powerful systemic capacities: IT ... Re seaux *high-tech* ... aggregating and manipulating complex knowledge and data. She concludes, "By their complex nature, these aggregates of individuals, institutions, networks and machines are difficult to identify and locate."

Are these "predatory formations" invincible? Is the power of these "powers con figurative," without limits or term? No: *Hubris* quickly invades them; this crazy excess and arrogance; this vertigo of absolute power that, according to the ancient Greek wisdom, the gods always punish cruelly. The all-calculable helping, unbridled cars and wild beasts detach themselves from reality; they migrate to a fantasy world where everything happens as the media-billionaires have decided it should, according to their own opinions, ideas, whims or obsessions; sectarianism or hatred. This, with a lot of trituration, of manipulation of the past, from now on struck of alignment.

However, this massive assault on reality has brutal consequences—woe betide anyone who ignores them: the criteria, canons and categories of the Cold War are dead; or only survive as dead stars and phenomena of retinal persistence. Thanks to social engineering, a new man, a new world must emerge, as originally thought by *Silicon Valley*.

An enterprise based on grand-messes and on discreet conclaves. Lap.

13 *Le Figaro* - 10/05/2014 "Colombia, an economic miracle in South America" - GE-Ideas - May 2014 "Ending the drug wars", Report of the LSE, expert group on the economics of drug policy" - *Le Monde* - 26/04/2014 "Capitalism has entered into logics of destruction" - *Libération* - 10-12/04/2014 Forum de Rennes" - *Le Monde* - 22/01/2014 "The French still don't like Davos" - *Le Figaro* - 7/11/2013 "Mexico, new Eldorado for French companies" - *International He raid Tribune* becomes *New York Times International* - 10/15/2013 - Special issue "Turning the page" - *New York Times* + *Le Figaro* - 1/10/2013 "Mexico's new assets" - *Le Figaro* - 8/29/2013 "How Medellin bought itself a culture" - *Le Figaro* - 8/27/2013 "Querétaro, the emblem of Mexico that takes off" - *Le Monde Magazine* - 10/08/2013 "Curious Eldorado - Bogota, force of attraction" - *Libération* - 29-30/03/2013 "Forum de Rennes, la confiance règne" - *Colombia Report* - 1/03/2013 "Me delink named world's most innovative city of 2012" - *International Herald Tribune* - 25/02/2013 "How Mexico got back in the game" - *Libération* - 25/02/2013 Forum "Prise d'élans pour la ville" - CLÉS - Grenoble ESC - 24/01/2013 "The Davos Forum - The game of global elites in globalization" - *International Herald Tribune Magazine* - 30/11/2012 "supplement Global Agenda" - World Happiness Report, United Nations - April 2012 "First world happiness report" *International Herald Tribune* - 25/02/2012 "Sub seizing other views at Davos" -

Davos...

At the heart of the DGSI (Davos-Goldman-Sachs-Ideology), this forum wants to impose a single global thought, in accordance with the objectives and interests of the globalized elites, or hyper-class, in the face of the old order of sovereign nation-states, born of post-Westphalian Europe - and this, of course, for hundreds of millions of dollars. Not ashamed to have praised the very thing that, coming from Wall Street, provoked the global crash of 2007-2008, "Davos" is more than ever dedicated to "reshaping the world"; pompous themes for plutocrats-patronesses, sweetly qualified as *Global Conversation*. (In 2012, *The Great Transformation, Shaping New Models*).

Its international pedestrians ...

The United Nations General Assembly hastened to follow suit: in April 2012, it organized a conference and disseminated a report by the "*Earth Institute*" on happiness in the world; politically correct nonsense and moralistic platitudes, "discovering" that, in general, it is better to be rich and healthy than poor and sick; free, of course, and endowed with good social relays (thank you, *Facebook*); not to mention a stable family life! In this, nothing even touches on crime or the highly criminogenic "social heterogeneity."

Another DGSI-UN forum, the one dedicated to the liberalization of drugs. Talking about these traffics without saying ONE word about crime, the cartels, which dominate everything, is an immense achievement. Mission accomplished: 21 signatories, 13 experts (Nobel Prize winners ... elected officials ... politicians ... economists ... historians ... political scientists ... doctors ... Soros agents ("Open Society") not a criminologist, not a line on organized crime. For all of them, drugs are a spontaneous generation; their manufacture and trafficking form a pyramid not even standing on its tip—but floating in the void.

… And his media vassals

The liberal-libertarian press is not to be outdone: in November 2012, a special issue of the *International Herald Tribune Magazine* titled *Global Agenda*; flooded with advertisements grand luxe, this magazine is ecstatic; everything delights it: the Earthlings have more smartphones than they have children (Thank you, *Apple*); they spent 50 million cumulated years looking at screens in 2012; sent 400 million Tweets per day ... Oh, some cis souls remain, otherwise, all is well! Science is progressing! Gender equality too! Nothing about black globalization. Crisis? Blah—no more globalizations will solve the problem. Globalized civilization is the future! Conclusion: "Without ting the vitality of our national identities, we are moving towards the first system of global governance." Controlled by whom, this system, already? Silence.

Finally, a masterpiece of DGSI agit-prop, on October 15, 2013, when the *International Herald Tribune* becomes the *International New York Times.* 24 pages large format hyper luxury advertisements:

(Cartier ... Chanel ... Dubai Duty Free ... Ermenegildo Zegna ... LG *High Tech* ... Longlines ... Ralph Lauren ... Richard Mille ... The Peninsula ...)

Between the ads, reigns the naive optimism and the fascination of the future: the *high-tech* for will see everything ... Intelligent machines ... Agricultural *high-tech* ... Media, fashion, energy, cinema, video, *high-tech* too ... Financial giants, nice again ... Team sports and markets, all multicultural ... Inequality, political choice (of course, capitalists are innocent...). At the end, a glitch anyway: if tomorrow, the virus animals contaminated the man? Oh, in the abstract of course; no one is incriminated ... Conclusion: we must get moving ... find some energy! Faced with such an exciting future, the human herd is still very soft ... Nerve, what the hell! Do we need to specify it? Nothing on the dark side of globalization.

The Care Bear forums of Libération

After the global ukases of liberal libertarianism, their national declinations: here, *Libération* sticks to it, as a good agent of influence of the DGSI. For the hyper-class of the neo-world, the left is the worrying youth and its possible agitation: so as soon as possible, let's capture its media; let's transform them in a *mimetic* mode: to resemble every day the vaguely leftist post-sixties; to keep its symbolic attributes, anti-racism, anti-fascism; but from now on, to play an anxiolytic role and to fight against the enemies of the DGSI, or to exonerate it, according to the case. The deal is simple: this daily newspaper without readers (but not without echo) dies—or is sold to the DGSI; certainly, its uberized journalists are poorly paid; but it's either that or nothing at all.

Hence a heavy fire of Forums in 2012-2013, aimed at bringing urban youth into line, to "align its provinces":

- Grenoble, February 1& 2, 2013: 92 speakers and 35 themes: diversity ... youth ... feminism ... economy ... sport ... music ... digital ... citizenship ... environment ... school ... Internet ... Nothing about the dark side of globalization.

- Forum Île-de-France "Le mouvement, c'est la ville" - 13 themes, 35 speakers: urbanism ... social ... mobility ... diversity ... Not a word about crime, the nightmare of the inhabitants of suburban areas. Then, "Prise d'élans dans la ville" (*Libération*, 25/02/2013), the art and manner of ignoring the elephant in the room: "think tomorrow and forget a little today" ... Transportation delays ... outdated equipment ... inequalities ... bike lanes ... slow everything down ... Crime on public transit? Assault, theft, rape? Not a word—everything is fine.

- Rennes Forum, March 29-30, 2013: 50 themes, 132 speakers, half-science,

half-people: what is in store for us, what the DGSI is directing us towards; also, what we must resist. A broth just as ideological as Stalin's *Pravda.*

- Rennes Forum (again), 10-11 April 2014 - 38 themes, 91 speakers: Where is Europe going ... The climate in 2030 .... A ticket to space ... Total oblivion of crime, of course.

The Eldorado scam, the flattery trick

It has always been known that "every flatterer lives at the expense of his listener," but it still works! What do the great globalized financial beasts do to attract customers? They set off the propagandist cannon. The target country? Ignored nugget ... the Eldorado of tomorrow. This, without any subtlety: the bigger it is, the better it goes. One remembers the unfortunate Brazil in the grip of the worst economic and critical torments ... The torrent of honeyed flattery of press charlatans ... The cover of the *Inrocks*, the ecstatic file of *Libération!* "The country where the left wins," no less...

Next victim, Mexico, during the carnage of the inter-cartel wars: "The dominant economic power of the 21st century ... So many engineers and technicians come out of its schools ... Natural gas in shambles ... Huge investments in automobiles, aerospace, consumer goods ... Start-ups galore ... $5 billion a day in trade with the United States..." (*International Herald Tribune*, February 2013).

Mexico, in *Le Figaro*, this time, in January 2013: "Destination always more popular ... Growth exceeding that of the giants of its hemisphere ... Daily, foreign entrepreneurs land there, some from *Silicon Valley* ... They will never go back ... This tremendous energy, this feeling that anything can happen ... An open and creative country ... Charm, audacity ..."

Here comes Goldman-Sachs again (*Le Figaro*, still, August 2013): "According to the famous inventor of the BRICs, Mexico would become the 7th world economic power by 2020, ahead of India and Russia"... The historic arcades [of the city of Querétaro] house bio-bobo stores, its thousand-year-old houses turn into trendy bars..." *The Figaro*, again (November 2013): "Mexico, its privileged geographical location... its 112 million inhabitants, its emerging middle class... Already, 1,700 French companies in its 31 states...."

Another victim of the reputation scam, Medellin in Colombia (yes, the former stronghold of Pablo Escobar...): "one of the most innovative cities, rich in vision, which abolishes its barriers and practices cooperation to improve the quality of life of its inhabitants." (Still, *Le Figaro*, August 2013): "Considered the most dangerous city in the world twenty years ago, the second largest city in Colombia has turned the page on Pablo Escobar ... The inhabitants are regaining a taste for life and business...."

Bogota, now (*Le Monde Magazine*, August 2013): "New tiger ... Its capital at draws tourists and students from around the world, seduced by its economic dynamism ... In the TOP 20 countries receiving the most foreign investment ...The refined restaurants rants pullulate ... Colombia attracts foreigners ... In the elegant north of the city, you can find all kinds of music, all kinds of atmospheres," says a young French woman. Colombia, more widely: "Is there a Colombian miracle? One of the most promising countries of the sub-continent ... One of the most attractive for foreign investments ..." (*Le Figaro*, decidedly...)

So many blatant lies, of course, when it comes to countries that are constantly (and to this day) ravaged by criminal armies. A proof about Mexico, even though big media lie so much and more about this country: a report about the country's security (*Knoll Global* Fraud, 2013-2014) asks expatriates living there:

- Have you experienced any physical theft? Yes, 30% (the year before, 19%),
- One or more internal flights in your company? Yes, 25% (the year before, 15%),
- Do you see corruption, bribery? Yes, 25% (the year before, 15%),
- Regulation defects? Yes, 20% (the year before, 4%),
- My company is more exposed to fraud in the last 12 months (2012, Yes, 56%), (2013, Yes... 93%)!

The report concludes that for foreign companies in Mexico, "the risk grows fast ... as do the vulnerabilities." Let's hope that the "Brazilian-style" scams described above have not caused too many victims among the French go-gos who believed in them... [14]

But why do the banking predators and their media agents feel that expatriates, tourists, investors and companies are in the lion's den? Easy: they get rich, again and again. Because while the drug wars ravage Mexico, the northern cone of South America and most of Central America, foreign investments are pouring in. *Bank of America* report, September 2011: in Mexico, its businesses are little affected by the killings; same for Nestlé, etc. Even the 7 states in the north of Mexico, the most ravaged by the narco-war, have received more direct financial investments (FDI, *Foreign Direct Investments*), since the beginning of the war against the cartels, at the end of 2006!

The *UN Economic Commission for Latin America and the Caribbeans* (Eclac) publishes that the same is true in Central America: FDI, + 16% from 2009 to 2010 (except El Salvador). Cocaine producing countries? Colombia, Peru, and Bolivia maintain FDI.

Let us note that the flattery-predatory is not only used to fool distant and ex tic countries, but also countries of the European Union—without Brussels tak-

14 - *Insight* - 09/16/2011 "Foreign investment not a casualty of the drug war explosion of violence."

ing too much offense, or even deigning to notice it.[15] It must be said that the magicians of Wall Street know how to do it: it was a brilliant idea to call a small poor country, secularly occupied by its neighbor, "Celtic Tiger" and having, in the face of the titans of finance, the "resilience" of a Chihuahua in front of a Pitbull. In the region, everyone is hypnotized: The Irish development model ... The Irish economic miracle ...

In February 2008 (just before the disaster), the Scottish independence leader Alex Salmond sees his country, independent, "becoming a Celtic Lion, whose economy will rival that of the Celtic Tiger, on the other side of the Irish Sea"—which tiger agonies already. Later in 2008, the economic expert for the Republican candidate (John McCain) in the U.S. presidential election, uses Ireland as an example of a pro-father country, with some of the lowest taxes in the world: "Senator McCain's family emigrated from Ireland, along with millions of others, because they were hungry. Today, they [*the Irish]* have a higher per capita income than Americans."

At full speed, the Irish banking system is swelling monstrously; speculation is becoming endemic - a real estate "bubble," as is customary—while the country's traditional activities (fishing, agriculture, etc.) are being abandoned because they are outdated. Weakened and underfunded, its financial control authorities can do nothing about it. How can an honest Irish civil servant stand up to this collective delusion?

The financial predators have the country in a whirlwind where theft and patriotism, in national interest and private profit are indistinguishable. Ireland's then prime minister "can't explain" the $275,000 cash deposited in his account ... a win at the races? or repayment of a debt from before he had an account? For the *Mahon Tribunal,* the country's political class is "hopelessly compromised."

During 2008, the directors of one of the country's pirate banks (Anglo-Irish Bank), in full amoral delirium, were recorded, preparing the lies to be told to their own government and laughing about the loans of tens of millions of euros that they would not be able to but to repay, with the Irish taxpayer picking up the tab ... Once the plundering is done, the magicians sneak back across the Atlantic. In 2010, the budget challenge city reached 32% of GDP, the highest in the European Union.

Saving the system costs the Irish €200 billion—plus the €50-70 billion in slipped in 2008-2010 by the state to support (in vain) its failing banks. 2010 days, unemployment is at 14%. Once again, Ireland is emigrating. From April 2010 to April 2011, 76,400 people left, +45%; of which 40,200 were Irish (most of them

15 *International Herald Tribune* - 29/07/2013 "Psychology of an Irish meltdown" - *International Herald Tribune* - 23/03/2012 "Corruption invaded Irish politics, tribunal says" - *Financial Times* - 3/10/2011 "Irish emigration rises as Celtic tiger grows" - *Courrier International* - 2/12/2010 "The miracle was just a mirage" - *New York Review of Books* - 11/11/2010 "Ireland: the rise and the crash."

under 45 years old); the rest were immigrants leaving elsewhere. 1,500 Irish people move to Great Britain every month.

After Ireland and corruption, Greece and crime.[16] 2010 sees immigration flooding into a Greece collapsed by its bankruptcy; for this country where street crime is usually minimal in the cities and absent from the villages, the Soros-style "open society" sees violent crime explode:

- armed robberies, doubling in 2010 over 2009,
- robbery of cab drivers, quadrupling (2010 over 2009),
- homicides, + 50% in 2010.

Athens, Piraeus, and surroundings: Albanian or Bulgarian gangs exploit criminalized African or Asian illegal migrants. Unheard of: bandits armed with kalashnikov shoot without hesitation at the debonair (and not very talented...) Greek police. In the suburbs, the number of gang wars and exactions by drug addicts is increasing manes in need.

Financial crime, chronology of a perfect crime: 2010-2014, the decisive years

United States

Prologue in 2014: seven years later, the *Financial Crisis Inquiry Commission* publishes a detailed report on the crash of 2007-2008, its origin, its course, what per put it and prohibited to counter it.[17] In this text, we read 157 times the words "fraud" and "fraudulent." And this: "*The signs of fraud were everywhere to be seen*." As early as 2004, the Deputy Director of the FBI publicly denounced a "pervasive mortgage fraud problem" on Wall Street; intentional fraud ... voluntary admission ... conscious ignorance ... unhealthy financial products "bought and sold at the speed of light." For the sake of clarity, the report recalls the excellent definition of mortgage fraud from Canadian law: "Deliberate use of inaccurate information, misrepresentations or omissions to finance, purchase or obtain a loan." In short: any scheme or pretext to obtain an unjustified loan.

Doing so is a *crime* (a federal crime in the United States). The following are the statutes prosecuting fraudulent statements on the real value of securities (stocks, etc.) backed by mortgages:

- 18 USC § 1341 Mail Fraud Statute,
- 18 USC § 1343 Wire Fraud Statute,
- 18 USC § 1344 Bank Fraud Statute,

16 *International Herald Tribune* - 15/06/2011 "Greeks blame migrants for Athena's crime wave."

17 https://www.govinfo.gov/content/pkg/GPO-FCIC/pdf/GPO-FCIC.pdf

- 15 USC § 78FF Securities Fraud Statute.

These federal laws were all in effect in the period (2000-2007) prior to the crash. One expert asks, "The tools for criminal prosecution are ready. The question is: who will use them?"

Answer: no one, never.

Example. At the end of 2008, Bank of America (BofA) buys the investment bank Merrill Lynch, which is bankrupt due to the crash. The CEO of BofA tells his shareholders that Merrill Lynch will lose 9 billion dollars in the 4th quarter of 2008. But the loss is $16 billion: the CEO of BofA knows this very well. BofA executives knew the enormity of Merrill Lynch's losses but are lying to their directors and to their general meeting. Deliberately misleading shareholders about the financial reality of a business is a crime. As a result, the financial section of the Manhattan prosecutor's office and the SEC con damned (after a long period of inertia) BofA to a 150 million fine. Its CEO pays a 10 million fine (paid by the bank) and is banned from running a publicly traded company—but he is retired. Amusing detail: the CEO's lawyer in the case is Mrs. Mary Jo White, whom B. Obama later appoints as chairman of the SEC.

Why these serial judicial abortions? As it is then (and still is) on the corporate and securities law side, U.S. federal law clearly distinguishes imprudence, or even incompetence of an executive, from a criminal intent or practice; merited yes, crime, no. Of course, the lawyers of the titans of finance abuse the superb magic wand. For who could establish criminal intent? The partners or executives of the offending company. But there, at the service of the fraudsters, exists the omerta—a fatal weapon once invented by the indefatigable criminal entity that is the mafia.

Demonstration.

2010[18]

In the summer of 2010, Goldman Sachs (GS) was fined $550 million for "misleading investors"; those in the know were expecting twice that amount; in fact, it was 9 days of the investment bank's profits the year before. Relief for shareholders and a rise in GS' share price: more than enough to compensate for the fine.

At the end of February 2008, the global financial system was staggering on the brink of collapse. In 2010, 17 large American banks and financial companies distributed 2.03 billion dollars in bonuses to 600 of their executives—a level like the 2007 bonuses, before the crash triggered, directly or not, by these very beneficiaries. 80% of the sum is undeserved, say the Washington authorities. In July

18 *Le Monde* - 27/10/2010 "Ni coupables, ni responsables" - *International Herald Tribune* - 24/07/2010 "$1.58 billion in banker's bonuses were unmerited, U.S. says" - *International Herald Tribune* - 17/07/2010 "Costly settlement seen as Goldman coup."

2010, these same financial institutions said they were sorry they could not recover the money lost in the crash and promised to behave properly in the future.

In October, Angelo Mozillo, ex-CEO of *Countrywide*, America's No. 1 *subprime* mortgage lender, got out of trouble. In 2007, he said of *subprime* loans, "In my life, I have never seen such a toxic financial product"—but sold them until the crash. From 2001 to 2008 this major actor of the disaster earned 522 million dollars as head of Countrywide. The Californian justice system fined him 67 million dollars in full settlement; without a single day in jail.

2011[19]

Reminder 1: In 2010, the American federal justice system sentenced 23,506 drug traffickers (*U.S. sentencing commission statistics*, Dept. of Justice). 96% of them received prison sentences. *The same is true* for all the money launderers: 806 convicted, 77% of them with firm sentences. In 2010, for example, a *dealer* from Anchorage, Alaska, received 10 years in prison for selling 10 grams of *crack cocaine*. In the same year, a trafficker from East St. Louis, Illinois, who imported 1.5 tons of cocaine in his area from 2004 to 2008, was sentenced to life imprisonment and a $2.25 million fine.

Reminder 2: The United States of America has watertight tax havens on its own soil. Why go to exotic islands? Here is the start-up company *Wyoming Corporate Services* (WCS), home to 2,000 empty shells dedicated to stashing gray or black money. WCS provides an off-the-shelf company and a CEO lawyer, gets you a bank account; all in the confidential lawyer-client relationship. Similarly, Delaware and Nevada[20] do not have any regulatory tools for business start-ups; it is purely private, with no oversight or preliminary license. Thus, in these three states (perhaps elsewhere), a convict can find and run a start-up company without a preliminary investigation; in these states, no one knows the names of the real beneficiaries of the shell companies; only figure in vaguely re the "*nominee directors*" straw men. But Washington demands from the rest of the world a perfect transparency in international financial transactions.

19 *New York Times* - 12/19/2011 "WAMU grants small potatoes as executives escape liabilities" - *Los Angeles Times* - 11/27/2011 "International banks have aided Mexican drug gangs" - *New York Review of Books* - 11/24/2011 "Financial's reform: unfinished business" - New York Review of Books - 11/10/2011 "Should some banks be prosecuted?" - *International Herald Tribune* - 9/11/2011 "Promises, promises: Wall street gets some slack on fraud laws" - Le Monde - 25/10/2011 "Financial regulation : G20 challenges shadow banking" - *International Herald Tribune* - 16/07/2011 "Leading Wall Street into battle" - *International Herald Tribune* - 2/07/2011 "Western banks mishandled Libyan investments, report says" - *Reuters* - 28/06/2011 "A little house of secrets on the Great Plains" - *Le Monde* - 8/06/2011 "Goldman Sachs and Libyan millions" - *Borderland Beat* - 27/05/2011 "Too big to do time? Fed wrist slap for Wachovia bank makes a farce of the drug war" - The Huffington Post - 2/02/2011 "Afghanistan's too big to fail bank is failing - Guess our system doesn't work there, either" - The Huffington Post - 2/02/2011 "Afghanistan's too big to fail bank is failing.

20 U.S. Money Laundering Threat Assessment, 2006 "Wyoming, Delaware, Nevada = highest level of corporate anonymity."

More than two years after the Wall Street crash, how is financial crime being dealt with? "So far, federal agencies have charged very few of the large financial entities that caused the collapse; not a single indictment of any major bank executive" (The prestigious *New York Review of Books*).

Impunity, therefore. All the more so since, as everything fits together, the tiny FBI (constantly less than 15,000 agents for 320 million Americans) must "rob Peter to pay Paul" after the 9/11 attacks: before, its financial fraud section had more than 1,000 agents; in 2007, on the eve of the crash, it had 120 left.

These large financial predators know this. In addition, they are cronies of political leaders and flout the laws and rules, with complete disdain for the control/regulation agencies; they can commit fraud, forge documents, and launder criminal money. An immunity equivalent to a license to commit crimes.

The only comedy that these predators deign to submit to is to swear that the laws will be 100% respected from now on, that cheating is over, that in the future they will be impeccable, etc. An official account shows that between 1995 and 2010, 19 American giants (Goldman Sachs, Morgan Stanley, JP Morgan-Chase, Bank of America, Merrill Lynch, CityGroup,[21] etc.) took 51 of these oaths, only to make a mockery of it later: Bank of America, 5 oaths violated, Merrill Lynch, 7; City Group, 4, etc. —but the SEC has not prosecuted a single one of these cynical men for violating an oath. One banker quipped, "The SEC is a cop who hands out fliers, not tickets."

And Washington's modest efforts to order finance are countered by effective lobbyists dedicated to killing any reform; if not, water it down; water down the repressive dog as much as possible. Propelled by a hundred financial giants with millions of dollars, a lobbying ace like Steve Bartlett and his "*Financial Services Roundtable*" brilliantly managed to "reform the reform" (called, after the Wall Street crash, "Dodd-Frank Act"). In 1999, Bartlett had the Glass-Steagall law abolished, prohibiting the mixing of investment banks and commercial banks; he then created "*too big to fail*" banking monsters; and finally, the crash of 2007-2008.

Beyond simple lobbying, says an expert, "the weight of the banking lobby, the shortcomings of the regulators, the complicity of auditors, law firms or consultants acting as cartels, the weakness of counterpowers, emasculate the new regulations."

Now let's see the financial predators at work. The first to be caught—without serious consequences later on, don't worry! —the regional bank Wachovia. Before the crash, it handled $420 billion (transfers, cash, travelers' checks, etc.) from Mexican exchange houses (*Casas de Cambio*), notorious cartel piggy banks. Some of this money is used to buy used planes that, in one case alone, brought 22 tons of cocaine into the United States. In 2009, the giant Wells Fargo buys Wachovia,

21 CityGroup, which the Federal Reserve also says, "lacks effective anti-money laundering tools."

12.7 billion dollars; Wells Fargo is then fined 160 million dollars, less than 2% of its 2009 profits. None of its directors gets a day in prison. For (the powerless) federal prosecutor "Wachovia's disregard for all our banking laws gave the international cocaine cartels a virtual carte blanche for their financing operations."

From the grotesque sanctions register, let's move on to Washington Mutual Bank (WaMu), which collapsed in 2008, causing the worst bank failure in U.S. history. For Senator Carl Lewin of Michigan, who chairs the Senate Select Committee, "WaMu symbolizes everything that went wrong in the banking industry and contributed to the financial crisis." Three WaMu executives were "sanctioned" in December 2011, by the Federal Deposit Insurance Corp.

- WaMu's CEO earned $88 million (bonuses, etc.) from 2001 to 2007. His fine is $275,000; as a bonus, he is deprived of his pension,
- WaMu's former president is fined $100,000 plus pension deprivation (but otherwise gets $5.4 million back),
- The former director of real estate lending was fined $50,000 and deprived of his pension (but otherwise recovered $1.9 million).

Sometimes financial piranhas also steal from foreign investors. In June 2006, the Libyan sovereign wealth fund LIA, "Libyan Investment Authority" was created with ± 40 billion dollars of liquidity. From January to June 2008, LIA deposits at gold man Sachs 1.3 billion dollars ... of which 98% vanish until 2010. Shameless looting, squandering by various *hedge funds* and large banks: unjustified fees of tens millions of dollars ... Goldman Sachs "doesn't understand how it could have 'lost' a billion dollars..."[22]

But why limit us to the usual prey and hunting grounds? This is the "Shadow Bank." Three years after the collapse of Lehman Brothers, G20 experts are alarmed to learn that 16,000 billion dollars of out-of-control assets form a *shadow banking* or peripheral financial system with "low transparency." Its players including non-depositary banks, *hedge funds*, insurers, money market and/or hedge funds and other private actors; entities on which regulators have "little or no visibility." A per lousy pile of alternative products to bank credits, hyper-complex, associated with high-speed, automated and high frequency transactions.[23] Of course, the operators of this "underground financing" are still more or less the same people responsible for the 2007-2008 crash.[24]

22 *New York Times* - 1/02/2014 "Libyan fund sues Goldman over loss from derivative trades" - Goldman Sachs "lost" $1 billion in derivatives trading, but pocketed $350 million in fees in the process, etc. Fate has a way of working itself out! In the case, Goldman Sachs also "lost its archives"...

23 *International Herald Tribune* - 10/24/2012 "Report finds little harm in high-speed trading" - After two years of observation, ultra-fast stock trading is deemed safe from manipulation for investors. After all, "markets have become too complex to be understood even by the most learned," so... Possible criminal risks are not even mentioned in the study.

24 *Le Figaro* - 12/20/2012 "Shadow finance continues to grow": according to the G20's Financial Sta-

2012[25]

Reminder: Pat Truglia is a (lay) associate of the Colombo family (New York Mafia), close to the family's *consigliere*, Thomas Farese. In November 2012, Truglia gets 2 years in prison for laundering $40,000 ... Unfortunate! Because no member of the banking elite guilty of the Wall Street crash-2007-2008 is in prison, or has even been threatened to go. Apart from the unlucky mafiosi, only lampposts, or micro-bank bosses of lost holes are incarcerated: LaCoste national bank (LaCoste, Texas), Hume Bank (Missouri), Pinehurst bank (St Paul, Minnesota), Colonial Bank (Montgomery, Alabama).

On Wall Street itself, Rajat Gupta, the second knife away from the very tight center of banking power, is getting two years in prison and a $5 million fine for "insider trading." This senior Goldman Sachs executive is said to have passed on confidential data to the CEO of Galleon Group, Raj Rajaratnam, who will be punished even more severely: 11 years in prison and a fine of more than 150 million dollars.

The *subprime* affair was impossible without the complicity of the rating agencies (Moody's Investors Services, Standard & Poor's, Fitch), whose model is already a chemically pure conflict of interest: the more products a financier has them rate, the richer they get. Only one small agency in New York, Egan-Jones Ratings (EJR), acts ethically: its clients pay it, not the financiers. The three big agencies are silent and will never be worried: the SEC is indicting EJR for trifles, such as a poorly completed paperwork.

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bility Board, "shadow finance" represents in volume, at the end of 2011, half of the global banking system (27% of this same system in 2007). With a direct influence on the real economy, this shadow finance poses similar systemic risks to the global economy.

25 *Global Research* - 31/12/2012 "Fraud, money laundering and narcotics, impunity of the banking giants - no prosecution for HSBC. *AFP* - 12/17/2012 "Money laundering: 4.7 million euro fine for HSBC" - *Insight* - 12/14/2012 "Sinaloa cartel bought narco plane via HSBC Bank" - *Gangsters Inc.* 12/13/2012 "Greedy bankers of HSBC working with drug cartels" - *Le Monde* - 12/13/2012 "Monitor and punish" - *BBC News* - 12/11/2012 "HSBC to pay 1,9 bn in US money laundering penalties" - *Wall Street Journal* - 13/11/2012 "The greatest epidemic of elite white collar crime in the history of the world" - *Reuters* - 8/11/2012 "JP Morgan reaches deal with SEC staff on two mortgage probes" - *International Herald Tribune* - 26/10/2012 "Gupta sentenced to 2 years in insider trade case - *International Herald Tribune* - 12/10/2012 "Emails suggest collusion among equity firms" - *International Herald Tribune* - 25/07/2012 "Cheats confess, but that's no consolation" - *The Guardian* - 07/21/2012 "Trade minister lord Green failed to halt flow of drugs cash as HSBC boss" - *Sydney Morning Herald* - 07/18/2012 "US Senate report accuses HSBC of money laundering" - *AFP* - 07/17/2012 "Anti-money laundering : A US parliamentary report points to HSBC's shortcomings" - *Insight* - 7/17/2012 "HSBC exposed US to Mexican drug money" - *Liberation* - 7/17/2012 "HSBC suspected of money laundering" - *AP* - 7/17/2012 "HSBC allowed narcosis to launder millions" - *Wall Street Journal* - 7/15/2012 "HSBC near pact in laundering der probe" - *Business Week* - 7/9/2012 "FBI says cartel used Bank of America to launder money" - *Fox News Latino* - 7/9/2012 "Mexico drug cartel funneled money through bank of America, FBI says" - *Rolling Stone* - 5/07/2012 "The scam Wall Street learned from the mafia" - *Reuters* - 7/05/2012 "Special report : Documents allege HSBC money laundering" - *International Herald Tribune* - 4/05/2012 "SEC's puzzling pursuit of small game" - *International Herald Tribune* - 20/04/2012 "For banks, an easy way around new rules" - *WND* - 2/02/2012 "Banking giant accused of laundering billions."

But says *The New York Times*—not exactly an anti-capitalist slur—Wall Street is populated by compulsive cheaters, always defrauding when in trouble—sometimes, monumentally, for decades [*We'll see the LIBOR fraud later*]. In the scandals of the time, Madoff, MF Global and Peregrine Financial Group "lost" 32 billion dollars, without recovering a tenth of the loot. Basic cheating on Wall Street: insider trading, of course. But the only scapegoats are two obscure emissaries from the Indian subcontinent (India, Gupta; Ceylon, Rajaratnam).

All this is nothing compared to the scandal that shook the banking giant HSBC.

Founded in 1865 by Scotsmen who were involved in the (then legal) opium trade between the British Raj of India and China, the *Hong Kong and Shanghai Banking Corporation* is a genuine giant. In 2011, it was the 5th largest bank in the world in terms of capital, with 2,600 million U.S. dollars in assets, present in 85 countries, 7,500 offices and branches: ± 55 million clients beyond, 1,200 correspondent banks.

As the world's leading financial and economic powerhouse, HSBC should refrain from cheating and act as an ethical bank. However, like other financial giants, HSBC never stops cheating—which led one magistrate to say that "The planet of crime has its own banking system: the problem is that it is also ours."[26]

Everything goes through it: transactions for Saudi banks "close to al-Qaeda"; recycling of funds from Iran (25,000 transactions, nearly $20 billion); global financial assistance to bandits, swindlers and terrorists (including the Hezbollah): Mexico ... Argentina ... Russia ... Colombia ... Libya ... Sudan ... Burma ... Paraguay ... Cuba; embargos diverted, sanctions circumvented, etc.

Did you like Wachovia? On the criminal finance side, you'll love HSBC.

Some examples:

In the United States itself, since 2003, the Federal Reserve Bank of New York and the New York State Bank regulators have been watching HSBC for its serious lack of anti-money laundering controls. In its accounts, hundreds of billions of dollars are freely exchanged from banks and exchange offices in Mexico, Brazil, Argentina, etc. Often on accounts of fictitious or dissolved companies or created by identity fraud. A field check reveals the addresses of the ghost companies holding the zombie accounts: empty offices, even vacant lots ... Buildings abandoned ... disconnected phones, etc. From 2005 to 2008, this "laundress" recycled $106 million in cash.

Including a huge case of laundering the proceeds of a health care fraud.

26 Without falling into encyclopedism, let's note in passing that at the same time, another giant bank, the *Bank of America, was* laundering hundreds of millions of dollars on behalf of the, in connection with the brother of Miguel-Angel Trevino, known as "Z40," the great leader of the bloodthirsty cartel.

Two prosecutors (West Virginia, New York) are following the case: they condemn "a massive, conscious and systematic violation of the American anti-money laundering laws of and 2005 ... factitious *compliance*, superficial at best." Conclusion: "HSBC has systematically and scandalously violated the Bank Secrecy Act."

- *In Mexico* - Heart of the financial-criminal maelstrom. HSBC (HBMX) is clearly at the service of the cartels: money transfers ... currency exchange ... international settlements: all financial transactions useful to the *narcosis*. From 2006 to 2009, ± 670 billion US$ circulate between HSBC-Mexico and HSBC-US (HBUS); on a daily basis, hundreds of thousands of dollars in cash are deposited without verification on a single account. In 2008 alone, HBMX sent HBUS $4 billion in *cash*, making it the largest exporter of U.S. dollars from Mexico to the U.S. The vast majority of these banknote designs come from the Sinaloa (Mexico) cartel and the Norte del Valle (Colombia) cartel.

HSBC has no idea of the real holders of 15% of its Mexican bank accounts. Through two shell companies "Grupo Rahero SC" and "Grupo ETBP," the HSBC-Cayman Islands subsidiary sets up the purchase of two second-hand planes from the American group IATS, of Oklahoma City, to deliver cocaine from the Sinaloa cartel, from Central America to Mexico.

Details that kill: interception of a telephone exchange between high-level Mexican *narcosis*. One says, "HSBC is the best place to launder our money. To facilitate the physical transfer of piles of dollars, the cartel accountants must deposit the cash 'in boxes with the exact shape of the HBMX cashier's windows!'" The U.S. justice system concluded that "HSBC-Mexico transferred *[more dirty money]* than any other Mexican bank ... but did not find it suspicious."

The pot of gold discovered HSBC sheds crocodile tears. It "considers itself responsible" ... is "deeply sorry"... HBUS had a capitalization of ± 150 billion dollars. It is accused of having laundered 7 billion dollars for the *narcosis*; 16 billion dollars of secret transactions with Iran; in general, 670 billion dollars of suspicious movements. To make up for it all, HSBC is paying a $1.9 billion fine—a pittance: in 2011, its global profit was $22 billion.[27] Of course, none of its executives is sentenced to a day in prison and none of its banking licenses are revoked, anywhere. Hence the (unappealing) nickname of HSBC from the American anti-money laundering services: *Holy Shit Bank Corrupt*.

In the Wall-Street galaxy, the *private equity* giants are no better, between cronyism, connivance, and fake competition. In 2007, a complaint was filed against 11 of these titans by Boston shareholders (who felt that they had received billions of dollars) for illicit practices and violation of antitrust laws. They are Blackstone Group, KKR (Kohlberg, Kravis, Roberts), Bain Capital, Apollo Management, Carlyle Group, Merrill Lynch, TPG, etc. What they are accused of: rigged auctions,

27 *Bloomberg* - 3/07/2013 "HSBC judge approves $1.9 billion drug money laundering deal."

fictitious competition, etc. In 2012, the justice denounces a "secret pact between these 11 giants, to share the large possible acquisitions and thus, artificially and illegally maintain their low price."

And what about the regulation that should avoid tomorrow any drama like the Wall Street crash of 2007-2008? As soon as it is voted, it is quickly circumvented. The new rule ("*Volcker Rule*")[28] forbids banks to speculate for their own account in a casino style (not for their clients, but for their personal profit); funds that the taxpayer will pay in case of fail lite. The new Dodd-Frank law imposes the rule: banks must *immediately* close their "proprietary trading" desks. But the tricksters quickly discovered the loophole in the *Volcker Rule*: in order to "do their job," "keep the market liquid," "protect themselves" and "protect themselves," banks can always *hedge* against the risks inherent in their activities. Stashed elsewhere in the bank for *hedging* reasons, this hedging activity quickly becomes a new ... proprietary trading center. The not-so-anti-Semitic *New York Times* called it a "Talmudic exercise" in outrage.

2012 also reveals the systemic, constant, incessant side of financial predation in the United States. This is a platonic revelation because, of course, the culprits emerge unscathed or almost unscathed from the trials that a powerless American justice system is exhausting itself to bring against them. It is about a criminal collusion organized between ... a cartel of the same (JP Morgan,[29] Bank of America, UBS, Lehman Brothers, Bear Stearns, Wachovia, etc.), in order to rig the public tenders for *Municipal Bonds*, an annual market of (then) 3,700 billion dollars.

Intermediaries who are accomplices of the above-mentioned banks (and others) have been rigging these tenders for ten years. Before going into detail, let us note that the leaders of these giant banks idolize and invoke the "markets" at every turn, making them the supreme arbiter of social life—but happily rigging them at the first opportunity. For this case, here is how.

When a municipality or state wants to build a new school or hospital, they look (in the American system) for investors on Wall Street. The money found is at the disposal of the city or the state, but if it is not used immediately and suddenly, it is placed. But the banks and intermediaries in charge of this are rigging these calls for tenders, sharing the blows and illegally lowering the interest rates, thus raiding billions of dollars: for UBS alone, 100 auctions of bonds in 4 years, 16 billion dollars stolen.

A seemingly small difference (5% interest instead of 5.15%) takes hundreds of millions of dollars out of the hands of municipalities: fewer computers, fewer

28 Named after Paul Volcker, former central banker and then financial advisor to President Obama.

29 JP Morgan has been involved in most of the financial scams of the 21st century (to stay with the recent period...). Among many others, it was for 20 years the bank of the stratospheric swindler Bernie Madoff, thus complicit in a scam of more than 25 billion dollars, perhaps the worst in the history of world finance. But JP Morgan says it "didn't see any of this"...

textbooks, etc. Worse: the *New Jersey Health Care Facilities Finance Authority* issues bonds to finance state's hospitals. But rigging the interest on $17 billion in bonds issued is causing 10 hospitals in the state to close—of course, in poor neighborhoods...

In the case, the magistrates collected 570,000 telephone damning conversations. Their conclusion: these bankers acted like mafia members. Trial in New York (Manhattan) in April-May 2012, after ten years of investigation. Significantly, there were no important journalists in the room. Second knives are on trial. UBS, Bank of America, Chase and Wells Fargo must together return 673 million dollars to spoliated cities. In 2011, Chase and Bank of America had already paid $365 million in fines for these cheats. Yet that same year, they were still the two major ac tors in the municipal bond market, more than $35 billion in bonds issued. Their fine? A drop in the bucket...

In the last quarter of 2012, it was the presidential campaign, where Barack Obama was re-elected against the Republican Mitt Romney. In October 2012, Obama's attorney general, Eric Holder, trumpets in a press conference the successes of his department in dealing with financial fraud: 530 indictments, including 172 financial executives, as part of 1 billion in fraud.

Once the election was over and the voter was fooled—but we suspected it—the wind fell back: 107 indictments, no executive or boss in the trap, for the misery of 95 million dollars: lampposts and peanuts...[30]

2013[31]

Reminder, about the "double standard": In California alone, due to the "*Three strikes and you're out" law*, there were 360 people sentenced to life in prison for *pilfering at the* end of 2012. At the same time, federal statistics report that since the 2008 crash, the income of 95% of Americans has declined. Since 2009, the cost of the crash to the U.S. economy has reached $14 trillion.

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30 *New York Times International* - 03/19/2014 "Hype trumped accuracy in fraud investigation."

31 *New York Times* - 12/17/2013 "Judge questions lack of charges" - *Global Research* - 9/11/2013 "The SAC insider trading case - Hedge funds and America's financial aristocracy" - *Financial Times* - 5/11/2013 "SAC to pay biggest insider fine of $ 1.8 bn" - *The Guardian* - 10/26/2013 "JP Morgan agrees to $ 5,1 bn fine with mortgage regulators" - *International Herald Tribune* - 10/25/2013 "JP Morgan is a target in Madoff inquiry" - *Le Figaro* - 9/15/2013 "Five years after Lehman Brothers, the financial risk has shifted" - *International Herald Tribune* - 9/10/2013 "How US let Lehman executives off the hook" - *New York Review of Books* - 8/15/2013 "The Fed & big banking at the crossroads" - *International He raid Tribune* - 10/08/2013 "UBS agrees to settle Lehman case" - *Le Figaro* - 31/05/2013 "The crisis has sounded the markets, but leaves little trace in the legal chronicle" - *International Herald Tribune* - 21/05/2013 "US subpoenas hedge fund billionaire" - *Global Research* - 7/05/2013 "Money laundering and the drug trade: the role of the banks" - *International Herald Tribune* - 2/04/2013 "Dark Pools lure growing numbers of stock trades" - *Forbes* - 26/03/2013 "Fed hits Citi over money laundering problems" - *International Herald Tribune* - 16/01/2013 "How US hit a dead end in building case against billionaire" - *Atlantic Monthly* - Jan. 2013 "What's inside America's bank."

Still in 2013, 80% of investors have "no confidence in the financier system." We can understand them: evidence in support of this, giants such as Bank of America, CityGroup, HSBC, JP Morgan, Wachovia, Western Union, etc., "very opaque black boxes," have almost with impunity laundered billions of cartel money.[32]

Judicial aftermath of the 2008 crash: we learn that by falsifying documents, etc., UBS and JP Morgan deceived "Fannie Mae" and "Freddie Mac" on the quality of mortgages sold during the real estate bubble (which preceded the crash).[33] The Federal Housing Finance Agency fined UBS $900 million[34] and JP Morgan $5.1 billion, a mere trifle for the two giants. On the repression side, Eric Holder, Obama's attorney general, is urging Congress to be careful with the mega-banks, as heavy penalties "could have a negative impact on the national and even global economy." The street is ironic: *too big to jail*.

Five years after the collapse of Wall Street, where do we stand? "Today, the banks are bigger and opaquer than ever, acting much as they did before the crash"; these are of course the *usual suspects*: Bank of America, Barclays, Deutsche Bank, Goldman Sachs, HSBC, JP Morgan, Merrill Lynch, Standard Chartered, UBS, Wells Fargo, etc. At the end of 2013, the top six U.S. banks held ± $10 trillion in assets, 25% more than in 2008.

In the United States, since the (purely criminal) collapse of the *subprimes*, no financial crime case has been brought to trial. In the civil courts, Goldman Sachs, Bank of America, and CityGroup, have paid risible fines and (modestly) compensated some clients. That is the end of the story. No Wall Street bank executive has faced a single criminal or regulatory charge since 2008. In 2012, the SEC dropped all charges, in secret and without public announcement. Yet these Lehman Brothers executives were bragging about the excellent health of their bank, shortly before it collapsed! A bank whose 2008 accounts were rigged to simulate a healthy balance sheet: "balance sheet manipulation" ... "Deception towards the shareholders," are *crimes*. But here nothing, not even a fine...

"The *Dodd-Frank Act 2010*, which is supposed to remedy all this, is being sabotaged:"

- It gave the Federal Reserve a regulatory and supervisory role in finance and created a new position of vice president for banking supervision. As of August 2013, the position remains unfilled.

32 At the end of 2012, the world drug market (street price) is ± 400 billion dollars per year, 8% of world trade.

33 *Fannie Mae*: Federal National Mortgage Association (created in 1938) and *Freddie Mac*: Federal Home Loan Mortgage Corporation (1970): two federal agencies with a public service mission, then privatized dedicated to encouraging access to home ownership for average Americans by purchasing their mortgage loans from banks.

34 UBS also lied to its investors about the health of Lehman Brothers and was fined $120 million for doing so.

- It created a new *Financial Stability Oversight Council* at the Department of the Treasury—still a fictional one as of summer 2013.

And the six regulatory bodies for banking and finance? Rather inefficient, they step on each other's toes, in a climate of friction and confusion:

- Federal Reserve,
- SEC (Securities & Exchange Commission),
- FDIC (Federal Deposit Insurance Corporation),
- CFTC (Commodity Futures Trading Commission),
- Federal Housing Finance Agency,
- Office of the Controller of the Currency.

As far as predatory *hedge funds* are concerned, the "star" of the year was SAC Capital Advisors, owned by billionaire Steven A. Cohen (fortune of ± 9 billion dollars); *hedge fund*, which manages ± 15 billion dollars, a thousand employees, 5 offices in the world, etc.—undoubtedly one of the juiciest in the United States: the average profit of a *hedge fund* is about 8% per year—that is already important—that of SAC sometimes reaches 30% annually.

The reputation of *hedge funds* in general is not exactly pristine, but SAC's is awful: for the FBI it is "an empire of fraud ... a corrupt entity based on insider trading on an unprecedented scale"; its boss? "A mafia godfather, head of a criminal gang." No less. SAC has already paid $616 million for past fractions. Justice is served. Really? SAC must ultimately pay $1.2 billion in fines for insider trading.

Steven A. Cohen, on the other hand, is untouchable: the American justice system as it is cannot nail a major financial predator, based on the confessions or accusations of his subordinates. In the end, some underlings plead guilty to insider trading, spend at worst a few months in the shade, pay risible fines (here, $192,000 dollars, the worst...) or are banned from practicing for a few years. They probably don't regret it afterwards ... The boss? Nothing. In 2012, SAC earned $1.3 billion: the fine will wipe out its annual profit.

A new tool of predation: the "*Dark Pools*," private sites where shares are sold and exchanged outside the public platforms (NYSE, Nasdaq, etc.). There, *traders* and investors act "hidden behind a veil where only the operator and the *pool* know what is going on"—one can imagine the shenanigans. In 2008, ± 16% of shares were sold on these "Black Pools"; by the end of 2013, the figure had risen to 40%. Of the thirty or so large *Dark Pools* in the United States, the main one, *Crossfinder*, belongs to Credit Suisse, a bank whose transparency is not ideal.

2014[35]

Seven years have passed since the crash began. The ensuing global panic has not resulted in any serious international legislation on bankruptcy. In particular, the crucial international cooperation of commercial courts remains at zero. Despite the Obama White House's boasts that "*The era of 'too big to fail' is* over," indicting per a large group in 2014 and punishing its guilty leaders remains just as impossible as it was seven years ago. Money laundering ... Market rigging ... Tax evasion ... Selling toxic financial products ... Stealing real estate rights ... Taking insane risks ... William Dudley, the perfectly impotent chairman of the New York Federal Reserve, moans, "We have evidence of the serious professional vices and perverts of many of the great financial institutions"; yet they, to put it philosophically, "persevere in their being."

We find out every day: in 2014, the SEC is investigating the complicity of Bank of America (again!) and stockbroker Charles Schwab with Mexican cartels (again). "We are troubled by the suggestion that we, Charles Schwab, would disobey anti-money laundering laws" says, without laughing, the usual silly helpful spokesperson

From Bank of America, no comment.

Outside of even the financial world Toyota, which seriously and long deceived its American customers about the safety of its vehicles, is fined $1.2 billion in 2014—6% of its 2013 profits.

And the predatory banks? At the end of 2013, Bank of America's assets were $3 trillion; CityGroup's assets were $2.7 trillion, and JP Morgan's assets were $3.7 trillion.

Let's conclude with JP Morgan: in 2013, its stock price rose by 28%; its balance sheet is close to 4,000 billion dollars; expected profit in 2014: $28 billion. Thus, the $13 billion fine planned by the U.S. Department of Justice would be easily digestible—especially since 7 of the 13 billion would be tax deductible ... But no: Jamie Dimon, JP Morgan's CEO, called Eric Holder, Attorney General, and demanded that he stop everything: "The Department of Justice is canceling a press conference and stopping the legal proceedings." The precise facts of the case against JP Morgan, the investigation and its results remain unknown. Delighted to

35 *New York Post* - 05/22/2014 "SEC probes Bank of America, Schwab, for cartel ties" - *New York Times International* - 04/9/2014 "Seeking justice, but settling for much less" - *New York Times International* - 04/4/2014 "A pivotal case ends with a whimper" - New York Review of Books - 04/3/2014 "Why have top executives escaped prosecution?" - *Le Monde* - 3/29/2014 "The Dodd-Frank Act didn't fix anything" - *New York Times* - 3/14/2014 "Viewing banks as the heart of darkness" - *Le Monde* - 1/25/2014 "JP Morgan, a denial of justice" - *New York Times* - 1/25/2014 "After fines, JP Morgan gives chief a big raise" - *New York Times* - 1/9/2014 "JP Morgan can afford its series of huge fines" - New York review of Books - 1/9/2014 "The financial crisis: why have no high-level executives been prosecuted?"

get away with such an efficient "neutralization" of Washington, the shareholders of JP Morgan maintain its annual remuneration at $20 million dollars (despite the hole in the fines).

Elsewhere in the world

The plague of Wall Street infects the financial world [36]

In the years 2010-2012, various European banks were targeted by the American justice system: ABN-Amro (Netherlands), Barclays and Lloyds (UK), Credit Suisse, etc. The leading Dutch financial services company, ING-Bank paid the U.S. Treasury, in June 2012, $619 million in fines for laundering funds from Burma, Bangladesh, Cuba, Iran, North Korea, Syria, and Sudan; as a bonus, it instructed Iran on the subtle art of circumventing an embargo.

HSBC-London was then under investigation for financing the Saudi Islamic bank al-Rajhi, "close" to al-Qaeda. Also in London, the banking giant Standard Chartered paid a $667 million fine to the United States at the end of 2012 for "illicit activities." This "barely scratches its profit for the year, 4.8 billion dollars."

Caught red-handed, these British banks (the above, plus Royal Bank of Scotland, Lloyds Bank, etc.) beat their chests, willingly pay a (ridiculous) fine and solemnly swear never to break the law again. Of course, their huge losses are passed on to the taxpayer, to whom the collapse of HBOS (Halifax-Bank of Scotland) alone cost £20 billion.

Switzerland, criminal laundering,[37] *fraudulent manipulations*

It should be noted that Swiss law allows a fine to be tax-free (international, on all), thus reducing the bank's net profit—and therefore its taxes. Credit Suisse CEO's placid reaction after a (supposed) giant fine from the U.S. tax authorities: "We expect very little impact on our business."

HSBC is again implicated; here, the HSBC Private Bank of Geneva; the Geneva bank Lombard Odier, too. According to the Spanish police, "Chinese mafia money transactions" have been identified; the proof is in the hundreds of pag-

36 *The Guardian* - 10/04/2013 "They cost us billions, yet our disgraced banks are getting away with it" - *International Herald Tribune* - 6/03/2013 "US penalty dents profit at Standard Chartered" - *The Guardian* - 10/11/2012 "Jersey inquiry into HSBC as list of account holders leaked" - *International Herald Tribune* - 10/11/2012 "UK officials investigate HSBC over tax haven" - *Global Research* - 11/10/2012 "Financial crime in London's 'parasites paradise', or the best sanctuary money can buy."

37 *Libération* - 21/05/2014 "Record fine imposed on Credit Suisse" - *RTS.ch* - 15/01/2013 "Une affaire de blanchiment éclabousse des banques genevoises" - *Le Monde* - 2/01/2013 "Blanchiment : le chainon manquant entre financiers et trafiquants arrêté" - *Le Monde* - 21/12/2012 "Scandale du Libor : la manipulation était routinière et généralisée chez UBS" - *Le Figaro* - 20/12/2012 "Libor : UBS fined more than €1 billion" - *International Herald Tribune* - 12/20/2012 "UBS to pay $ 1.5 billion for rigging rates - *Global Research* - 2/11/2012 "HSBC caught in new drug money laundering scandal."

es of transcribed phone taps and masses of bank documents. Executives of these banks were operating a compensation—of course illicit—between Chinese mafiosi wanting to get their criminal money out of Spain, and Spanish tax evaders wanting to recover at home, in cash, their money deposited in Switzerland. Another possibility is the transfer from bank to bank, in Switzerland itself—between HSBC Private Bank, Lombard Odier, or others. All this, to the detriment of the Spanish tax authorities.

The same system made it possible to launder the funds of Moroccan drug traffickers and wholesalers (including the "godfather," Sofiane N.) operating between Morocco and the Paris region, or to operate compensation for their benefit. At the heart of the system are the Meyer brothers, Mardoché, Freha and Nissim el-Maleh, the latter one of the "wealth managers" of HSBC-Geneva. Plus, various other French Israeli Moroccans. And a laundered total exceeding (as far as we know) 100 million euros.

An impressive nebula of shell companies and accounts, a spider's web woven between the Bahamas, Panama, the United Arab Emirates, Spain, the United States, Switzerland, France, Great Britain, and Israel. At the center of this web is a secret compensation chamber that generates tens of millions of euros each year.

- Collects, in France first, the cash of drug traffickers and puts it in a safe place,
- Provides cash to holders of illicit accounts abroad who want money for their lifestyle, without crossing a border; among them, 'bobos,' including two elected members of EELV, business lawyers, art dealers, company directors, etc.
- Finally, it launders drug money, especially in real estate operations in the Maghreb and the Middle East, as well as in gold bars, works of art, etc.

City of London: Libor, foreign exchange market[38]

LIBOR[39] UBS and Credit Suisse are involved in the international bank rate scam. They moaned, pleaded good faith, "actively cooperated in the investigations," and

38 *Libération* - 5/11/2013 "Currencies: investment banks in business" - *Le Monde* - 4/11/2013 "The foreign exchange market pays the price for its laxity" - *Financial Times* - 19/08/2013 "Damages sought for Libor fixing" - *AFP* - 29/01/2013 "A £500 million settlement in sight for RBS in the Libor affair" - *International Herald Tribune* - 10/01/2013 "UK grills executives from UBS on rate rigging - *La Tribune* - 20/12/2012 "Libor: UBS's troubles continue ... in China, this time" - *BBC News* - 12/19/2012 "UBS fined $1,5 bn for Libor rigging" - *International Herald Tribune* - 12/12/2012 "UK authorities arrest 3 in rate-rigging scandal" - *Le Figaro* - 11/12/2012 "After Libor, Euribor scandal will break" - *International Herald Tribune* - 6/11/2012 "Barclays caught in US regulators vise" - *AFP* - 08/15/2012 "Ages make Libor - 08/15/2012 "Libor affair: 7 banks subpoenaed in the United States" - *Libération* - 8/08/2012 "Standard Chartered, a new scandal for the City" – *Libération.* + *Afp* - 6/07/2012 "Libor scandal: a criminal investigation opened in the United Kingdom."

39 An authentic international manipulation, coordinated on the scale of the financial planet: see the essential below, in the passage on the City of London, where the mess seems to have originated.

fired two or three lampoons: the usual *show.* Finally condemned, they don't care. *London Inter Bank Offered Rate*, the rate at which 18 mega-banks lend to each other, is calculated based on spontaneous self-declaration on a daily basis. Crucial for the global capital market (Dollar Yen, Euro, Swiss Franc, etc.), and therefore for the financing of economies, LIBOR refers to billions (minimum) of daily transactions.

However, this rate has been manipulated, at least for six full years, with the British control con damning "a serious corruption of financial procedures." In addition to LIBOR, EURI BOR (a panel of 43 continental European banks), and HIBOR (Hong Kong interbank rate, theoretically controlled by HKMA, *Hong Kong Money Authority*).

Let's note in passing that the mega-auditors like Deloitte, who are supposed to control their clients during the audit of their accounts, have seen nothing and denounced nothing. Same pitiful failure of the (platonic) *compliance* of these banks.

Many of the large predatory banks (always the same ones, to go quickly) "arranged" rates to their own advantage, to fill their pockets even more by increasing their positions, or to camouflage their difficulties. Proof that we are far from the stupid liberal concept of "victimless crime": various pension funds and *hedge funds* then sue these predatory banks, whose collusion and manipulations made them lose considerable sums.

At the end of the day, Barclays pays $453 million to U.S. and U.K. regulators in June 2012 for manipulating LIBOR & EURIBOR"a small price to pay for dropping any further investigation.[40]

The bill for UBS is a little more expensive: 1.2 billion dollars, between the U.S. justice system and the British and Swiss market authorities. From 2005 to 2010, the justice system denounces the more than 2,000 financial offences of dozens of important actors of UBS, which, at the end, makes an act of contrition ("We were too arrogant"...): the fines are not very expensive"but that doesn't cost anything.

In the same LIBOR round-up, Royal Bank of Scotland, HSBC, Rabobank (Netherlands), Deutsche Bank (Germany), JP Morgan, Citibank (US) were also caught (surprise!) for fines of several hundred million dollars.

FOREIGN EXCHANGE MARKET. Another market manipulation. In November 2013, a dozen *traders* from the "usual suspects" Barclays, CityGroup, Deutsche Bank, HSBC, JP Morgan, Royal Bank of Scotland, UBS, undergo an international investigation (United States, Great Britain, Hong Kong, Switzerland)

40 Then in great predatory form, Barclays was soon sued by the *Federal Energy Regula tory Commission in* the United States, which accused it of having manipulated the price of energy in California and in towers, by accumulating "complex transactions," and was about to impose a fine of 435 million dollars.

for rigging the FOREX (FOReign EXchange, foreign exchange market) of London, which then, brews ± 5,300 billion dollar (€ 3,900 billion) per day. These *traders* manipulated the prices of certain currencies to maximize their profits. Why bore the reader? We know the rest: ridiculous fines, flat apologies, etc.