

Are Big Banks Criminal Enterprises?

By [Washington's Blog](#)

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Theme: [Global Economy](#), [Poverty & Social Inequality](#)

Here are some recent improprieties by the big banks:

- Laundering money for drug cartels. See [this](#), [this](#), [this](#) and [this](#) (indeed, [drug dealers kept the banking system afloat](#) during the depths of the 2008 financial crisis)
- [Laundering money for terrorists](#)
- Engaging in mafia-style big-rigging fraud against local governments. See [this](#), [this](#) and [this](#)
- Shaving money off of virtually every pension transaction they handled over the course of decades, stealing collectively billions of dollars from pensions worldwide. Details [here](#), [here](#), [here](#), [here](#), [here](#), [here](#), [here](#), [here](#), [here](#), [here](#), [here](#) and here
- Charging “storage fees” to store gold bullion ...[without even buying or storing any gold](#). And [raiding allocated gold accounts](#)
- Committing massive and pervasive fraud [both when they initiated mortgage loans and when they foreclosed on them](#) (and [see this](#))
- Pledging the same mortgage multiple times to different buyers. See [this](#), [this](#), [this](#), [this](#) and [this](#). This would be like selling your car, and collecting money from 10 different buyers for the same car
- [Cheating homeowners](#) by gaming laws meant to protect people from unfair foreclosure
- Committing [massive fraud](#) in an \$800 trillion dollar market which effects everything from mortgages, student loans, small business loans and city financing
- Engaging in insider trading of [the most important financial information](#)
- Pushing investments which they knew were terrible, and then betting against the same investments to make money for themselves.

See [this](#), [this](#), [this](#), [this](#) and [this](#)

- Engaging in unlawful “[frontrunning](#)” to manipulate markets. See [this](#), [this](#), [this](#), [this](#), [this](#) and [this](#)
- Engaging in unlawful “Wash Trades” to manipulate asset prices. See [this](#), [this](#) and [this](#)
- [Otherwise](#) manipulating markets. And see [this](#)
- Participating in various Ponzi schemes. See [this](#), [this](#) and [this](#)
- Charging veterans [unlawful mortgage fees](#)
- [Cooking their books](#) (and see [this](#))
- [Bribing](#) and [bullying](#) ratings agencies to inflate ratings on their risky investments

The executives of the big banks invariably pretend that the hanky-panky was only committed by a couple of low-level rogue employees. But studies show that [most of the fraud is committed by management](#).

Indeed, one of the world’s top fraud experts – professor of law and economics, and former senior S&L regulator Bill Black – says that most financial fraud is “control fraud”, where the people who own the banks are the ones who implement systemic fraud. See [this](#), [this](#) and [this](#).

But at least the big banks do good things for society, like loaning money to Main Street, right?

Actually:

- The big banks no longer do very much traditional banking. Most of their business is from financial speculation. For example, [less than 10% of Bank of America’s assets come from traditional banking deposits](#). Instead, they are mainly engaged in financial speculation and derivatives. (and see [this](#))
- The big banks have slashed lending since they were bailed out by taxpayers ... while smaller banks have increased lending. See [this](#), [this](#) and [this](#)
- A [huge portion](#) of the banks’ profits comes from taxpayer bailouts. For example, [77% of JP Morgan’s net income comes from taxpayer subsidies](#)
- The big banks are literally [killing the economy](#) ... and [waging war on the people of the world](#)
- And our [democracy](#) and [republican form of government](#) as well

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