

Banking Scandals as a Mirror to the Struggle for World Domination

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Global banks: a continuous series of scandals

Despite some stabilisation in the financial markets by the time the first wave of the crisis had come to an end (2007-2009), global banks are still not leading a quiet life. Since the beginning of the current decade, we have seen a continuous series of scandals surrounding the banks that make up the core of the global financial system. Violations and even crimes committed by banks at different times are being uncovered, financial regulators are carrying out official investigations into the activities of banks and there have also been legal proceedings. Banks are being forced to pay out enormous amounts in fines, and the circle of banks being pulled into the epicentre of the scandals is growing continuously.

It all started with the Swiss bank UBS, which the US authorities accused of concealing the assets of American taxpayers. In 2010, UBS collapsed after disclosing information about its American clients and transferring hundreds of millions of dollars to the US Treasury. After this, America set about disembowelling other banks in Switzerland. And then banks in other countries. They subjected them to fines, destroyed the concept of banking secrecy and virtually forced foreign banks to inform on their clients.

Then a series of scandals began related to the exposure of Iranian, Cuban and North Korean sanctions violations by world calibre banks. Giants of the City of London – Barclays, HSBC, The Royal Bank of Scotland and Standard Chartered – as well as banks in other European countries ended up on the list of those accused. Many of these banks were being accused of money laundering, collaborating with the drug mafia and even financing terrorism all at the same time. The accusations came from financial regulators in the US and Great Britain. It all ended with the banks paying enormous fines amounting to hundreds of millions of dollars per bank. The largest fine was paid by HSBC in 2012 and amounted to US\$ 1.9 billion.

In the middle of summer 2012, a scandal began related to the Libor rate. The largest banks (predominantly European) were accused of manipulating rates in the London interbank lending market. The impact of these manipulations was huge, since financial markets amounting to hundreds of trillions of dollars are all guided by the Libor rate. In fact, the point at issue was that more than a dozen banks of world calibre had formed a cartel earning billions of dollars by manipulating the Libor rate with the unspoken agreement of central banks and financial regulators. In May of this year it came to light that a number of banks had manipulated another rate, known as ISDAfix, which the US \$379 trillion derivatives market is guided by. An investigation has begun which is threatening to turn into a scandal of the same magnitude as the Libor affair.

A series of scandals also broke out this summer related to the fact that banks have moved beyond financial markets, establishing themselves in commodities and energy markets and manipulating prices. The US Federal Energy Regulatory Commission (FERC) ordered the British conglomerate *Barclays* to pay a fine for manipulating electricity prices in the state of California. It was also reported at the end of July that the FERC had accused America's largest financial conglomerate *JP Morgan Chase* of manipulating electricity markets, first and foremost in the state of California and the US Midwest. The Wall Street bank is now being threatened with a fine to the tune of US \$400 million.

Experts have hinted that financial regulators like these and other "overlookers" could even reach as far as the well-known London "gold fixing", which has been in operation since 1919. The gold fixing is the procedure by which the price of gold is determined. It involves a total of five companies and banks that fall within the Rothschild clan's sphere of influence. The machinations of this fixing are not really known, but everyone involved in the world gold market is guided by London prices. Gold fixing prices not only directly or indirectly influence the gold market, but all financial markets. "Gold fixing" is a kind of control centre for the global finances of a small group of moneylenders. Is it really possible that some "regulators" could be having a go at the inner sanctum of global finances?

Accusations put forward by European Union agencies in July 2013 against 14 credit-default swap (CDS) market participants representing a variety of derivatives have become the latest in a series of banking scandals. Leading American and European banks were caught in a cartel to create over-the-counter credit-default swaps completely beyond financial regulators' sphere of control. To a large extent, by creating this "grey" market, Wall Street banks and the City of London triggered the 2007-2009 financial crisis.

Certain features of the banking scandals

It is striking that, as a rule, the disclosure of information about various banking crimes does not happen immediately, but several years after the crimes were committed. After all, crimes like these are not like looking for a needle in a haystack. Financial regulators and financial market participants always know about them well in advance. So banking scandals are the implementation of information that has been waiting in the wings.

Many of the scandals are of an extraterritorial nature. In other words, financial regulators and courts are beginning to investigate and prosecute banks with a non-resident status. The US authorities are going about these extraterritorial investigations and prosecutions particularly aggressively. And what is more, US financial regulators, the US Justice Department and US courts are far more preoccupied with investigating the activities of foreign banks - especially European ones - than their own American banks. If the US authorities do start investigations into American banks, they end in much milder punishments in comparison to those imposed on banks of the Old World.

In addition to the Americans, the British authorities are also notable for the amount of effort they are putting in to prosecuting banks. In Britain, it is dealt with by financial regulators like the Financial Services Authority (FSA). It is interesting that the FSA operates independently from the Bank of England; some of the financial regulator's initiatives reveal negligence on the part of the country's central bank, as well as the tacit encouragement of various violations in the banking sphere.

As a whole, the banking scandals have thus far caused particular damage to European banks. Wall Street banks have also paid fines at various times, of course, but an order of magnitude, or two orders of magnitude, lower than those of European banks, and only at the request of their own American regulators and courts. In general, European regulators do not dare impose fines on overseas bankers.

European banks suffer losses

A typical European bank that has been a victim of judicial prosecution is *Deutsche Bank*. This officially German, but in fact international, bank (the largest in Germany) is under the control of the Rothschilds. As a result of scandals (first and foremost regarding the Libor rate), it has suffered serious losses. While the bank's net profit in 2011 equalled EUR 4.3 billion, at the end of 2012 this had fallen to EUR 0.7 billion (the lowest figure since the 2008 crisis). For the period 2013-2015, the bank's management has been forced to declare an austerity regime.

Another bank involved in the scandals – *The Royal Bank of Scotland*, part of the Rothschilds' empire – is in an even worse position. The latest crisis had a serious impact on the bank, which has been practically nationalised (80 percent of its capital was bought by the British government). While RBS losses amounted to US\$2 billion in 2011, by the end of 2012 this had quadrupled to US\$8 billion.

The British bank *Barclays*, with assets of nearly US\$3 trillion, is worthy of particular attention, however. It figures in nearly all the scandals of the last few years. At the same time, Barclays bank is in charge of many global bank ratings. Nearly two years ago, for example, the results of a computer database analysis of millions of banks and companies in various countries around the world were published. The work was carried out by specialists from the Zurich Institute of Technology and its aim was to reveal the core of the global economic and financial system. The "core" turned out to include 147 companies. At the forefront of this small group is the British bank Barclays. The analysis was, however, carried out on the basis of data from 2007, and the findings of the Swiss academics relate to the period when Barclays had not yet started being subjected to prosecution. And so it is that a sensational report appeared in the media recently about the fact that a hole has emerged in the well-known bank's balance sheet to the tune of almost US\$20 billion. The aforementioned "hole" is an estimation of the shortfalls in its equity capital. This sensational report could be seen as yet another blow to the well-known bank's reputation (practically all the major banks on Wall Street have similar, if not bigger, "holes").

Barclays is part of the Rothschilds' empire; until very recently, it secretly acted as the "director" of other banks on many financial markets. Incidentally, Barclays is also part of the London gold fixing in which all five participants are equal, but in which this bank is "more equal". According to some analysts, after the London bank *N M Rothschild & Sons* withdrew from the London gold fixing in 2004, the Rothschilds continued to participate in determining the price of gold through Barclays.

A showdown between two clans?

There is enough information to allow one to come to the conclusion that the banking world has entered a prolonged phase of "controlled chaos", or "controlled crisis". And this immediately raises several questions. Who is controlling this chaos (crisis)? What is the objective of this control? When will the phase of chaos (crisis) come to an end? Is there a

risk of loss of control?

There are enough compelling conspiracy theories that after the fall of the USSR, the world began to be controlled from a single centre often referred to as the world government. Many influential media outlets long ago moved from a position of denial regarding the existence of a world government to its recognition. They have even, to some extent, started carrying out PR in its favour (some publications on Bilderberg Club meetings can be completely included among the ranks of this kind of PR). An analysis of events in the banking world over the last few years, however, leads to several other conclusions.

Banking scandals are evidence of the fact that the global elite are far from consolidated; it is divided according to interest groups. There is an intense and relentless struggle going on between various groups for survival, influence and world domination.

It is commonly believed that the world's bankers and the global elite are concepts that largely coincide. Where there is money, there is power and the struggle for even more power. The banking scandals have uncovered this conflict and the battle lines within the global elite.

These conflicts often boil down to the struggle between the two banking groups of the New World and the Old World, to the struggle between American and European banks. Simplifying the issue, journalists sometimes say that the struggle is between banks on Wall Street and banks in the City of London. As has already been stated, the victims of the banking scandals are primarily European banks, including British banks (the City of London). In my opinion, however, this "geographical" approach to an analysis of the banking scandals simplifies the picture too much. It would be more correct to talk about the struggle between two main financial and banking clans - the Rothschilds and the Rockefellers. It is these two who are currently the main shareholders of the US Federal Reserve System, and the Federal Reserve is the central institution of the global financial system. While the West had a common enemy in the USSR, conflicts between the two main FRS shareholders took second billing. Today, however, following the global financial crisis, the continued existence of the FRS is under threat and the principle shareholders have different ideas about a way out of the crisis. This has intensified the conflict, with everybody starting to pull the blanket over to their side. The Rothschilds and the Rockefellers have started to rock the boat known as "the global financial system". It is true that an incident took place in May 2012 which many believed to be significant. This was the strategic alliance agreed upon by the Rothschild and Rockefeller dynasties. As part of the alliance, the exchange-listed assets of Jacob Rothschild's investment trust *RIT Capital Partners* and the company *Rockefeller Financial Services* were joined together, and RIT acquired a 37 percent stake in a company that manages the assets of the Rockefellers. Somebody saw this development as an end to the war between the clans and a sign of the global oligarchy's consolidation under the aegis of the Rothschilds and Rockefellers. I am convinced that the move was symbolic - it was not followed by a chain reaction.

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