

Corruption Is Now Officially Legal in the U.S., “But Must Be Done Right”

By [Eric Zuesse](#)

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[On December 10th, Wall Street’s federal appeals court, the 2nd Circuit Court of Appeals, ruled that if inside information about what is going to happen to a corporation is taken advantage of by an investor, it’s okay, so long as the source of the inside-tip isn’t directly paid for passing it along.](#)

In other words, if you have friends who have inside information that they received from their friends, they are free to pass it along to you, and you are free to pass inside information that you possess along to them to pass along to others, but neither of you is permitted to pay the other for any inside tip — the information can legally be acted on only if the tipper is not paid for the tip.

The three-judge panel consisted entirely of Republican-appointed judges. Their ruling, in the case, *U.S. v. Newman, 2nd U.S. Circuit Court of Appeals, No. 13-1837*, provides insiders a way to sure-thing ‘investing’ in which groups of friends who trust each other and include high corporate executives and/or investment professionals such as stockbrokers, can legally be virtually certain that their ‘investing’ will be profitable for them and unprofitable for the individuals they’re trading against (either selling to or buying from). If you receive advance-word of negative information and sell to someone who doesn’t, or advance-word of favorable information and buy from someone who doesn’t, then that’s okay, according to the three Republican judges, but only if the original passer of the tip isn’t being paid for passing it.

In other words, trading favors is okay, even if it provides unfair advantage against outside investors.

This ruling establishes two classes of investors: one is insiders who trade favors but don’t pay each other for providing inside tips, they instead do it like members of a club; the other is suckers who rely on the fairness of America’s investment markets and on the Government’s enforcement against corruption of the investment markets.

[Here is the Court’s ruling.](#)

[Here is a detailed analysis of the ruling, by the great white-collar criminologist, Bill Black, who as a prosecutor of corruption sent many corrupt executives to prison, when America’s Government wasn’t nearly as corrupt as it has since become.](#)

Investigative historian **Eric Zuesse** is the author, most recently, of [They’re Not Even Close: The Democratic vs. Republican Economic Records, 1910-2010](#), and of [CHRIST’S VENTRILOQUISTS: The Event that Created Christianity](#).

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About the author:

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