

## Wall Street Criminals Are Given The “Green Light”: Obama’s Financial Reforms Are Watered Down

Obama Talks Left to Move Right. Is The President The Kind of Leader Chairman Mao Warned Us About?

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We now know that it was the Obama Administration led by the President himself who used techniques well understood and denounced decades earlier by none other than Mao TseTung.

Mao had no use for those who talked left to move right.

In several high profile speeches, Obama lashed out at Wall Street for its greed and mendacity, proposing financial reforms that appeared to be hard hitting if only because of the way the lobbyists for the financial services industry squealed about them.

But even as he was feinting left, he and his main economic operative, Tim Geithner, were moving right to kill off amendments that the bankers hated like Senator Bernie Sanders’s proposal for a deep audit of the Federal Reserve Bank and the Brown-Kaufman Amendment that would have broken up the six biggest banks in America.”

As John Heilman explained in New York Magazine, “Geithner’s team spent much of its time during the debate over the Senate bill helping Senate Banking Committee chair Chris Dodd kill off or modify amendments being offered by more-progressive Democrats.”

He used an old trick: embracing reform publicly while modifying its toughest provisions privately.

No wonder bank stocks went up when the bill passed.

James Kwak praised the Obamacrats skill at political manipulation on BaselineScenario.com, “The administration is happy with the financial reform bill roughly as it turned out, and it got there by taking up an anti-Wall Street tone (e.g., the Volcker Rule), riding a wave of populist anger to the point where the bill was sure of passing, and then quietly pruning back its most far-reaching components. If anything, that’s a testament to the political skill of the White House and, yes, Tim Geithner as well.

But guess what, the banksters didn’t really get the flim-flam that was going on. Reports Heilman:

“Today, it’s hard to find anyone on Wall Street who doesn’t speak of Obama as if he were an unholy hybrid of Bernie Sanders and Eldridge Cleaver. One night not long ago, over dinner with ten executives in the finance industry, I heard the president described as ‘hostile to

business,' 'anti-wealth,' and 'anti-capitalism'; as a 'redistributionist,' a 'vilifier,' and a 'thug.' A few days later, I recounted this experience to the same Wall Street CEO who'd called the Volcker Rule a testicular blow, and mentioned I'd been told that one of the most prominent megabank chiefs, who once boasted to friends of voting for Obama, now refers to him privately as a 'Chicago mob guy.' Do all your brethren feel this way? I asked. 'Oh, not everybody—just most of them,' he replied. 'Jamie [Dimon]? Lloyd [Blankfein]? They might not say Obama's a socialist, but they come pretty close.'"

Do any of these "smartest guys in the room" remember that in his last incarnation, Cleaver became a raving right-wing lunatic? In fact, Kwak believes that that lunacy is pervasive on Wall Street, and at the highest levels.

"Forget the whole issue of whether they should be grateful to Obama for first saving their banks from collapse and then toning down the reform bill so it (a) doesn't break up their banks, (b) doesn't meaningfully prevent them from engaging in proprietary trading, (c) says nothing of substance about compensation, (d) doesn't set any hard capital requirements, (e) . . . The fact that they can see the policies this administration is pursuing and somehow think they are "anti-wealth" or "anti-capitalist" is as close to proof as you will find that they are deeply stupid, blinded by their self-interest, or both."

Stupid or not, there was one Obama policy they liked: The decision not to punish any of them by prosecuting their crimes. Not only will they go scot free but the structural changes so badly needed to prevent a reoccurrence of this crash. Thus there will be new rules, not real reforms or a transformation.

In the world of finance, there is almost a universal insistence that only mistakes were made, mistakes that do not rise to the level of crime. This past week, AIG, the giant insurer, now owned by the government, was told it would not be prosecuted criminally,

At the same time, the Administration is still feinting left—appointing a new financial crimes task force and considering criminal action against Goldman Sachs. Authorities in Britain have gone further setting up a tough new agency that makes combating pervasive financial crime a priority.

What a scandal inside this scandal. The Financial Services industry spent a fortune buying political influence for deregulating and decriminalizing their industry before housing bubbled so they could later claim their chicanery and scams were legal.

Then, the investment banks and hedge funds worked with the real estate and insurance industries to commit a massive fraud against the American people while "extracting trillions for themselves. They then had the chutzpah to criticize homeowners as irresponsible.

Sadly, many of our journalists bought this hype and look the other way by only focusing on laws that protect investors. We need a full investigation and the use of our RICO anti-conspiracy laws.

Were crimes committed? You know they were.

The FBI found an "epidemic of mortgage fraud." (These mortgages were later bundled by Wall Street and sold worldwide with misrepresented values provided by crooked ratings agencies.) These subprime mortgages were insured to protect the investors who knew they

were unaffordable. Wall Street profited while 14 million families lost their homes.

The American people are clamoring for justice but our voices are still being ignored. The President says he is on our side.

Is he?

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