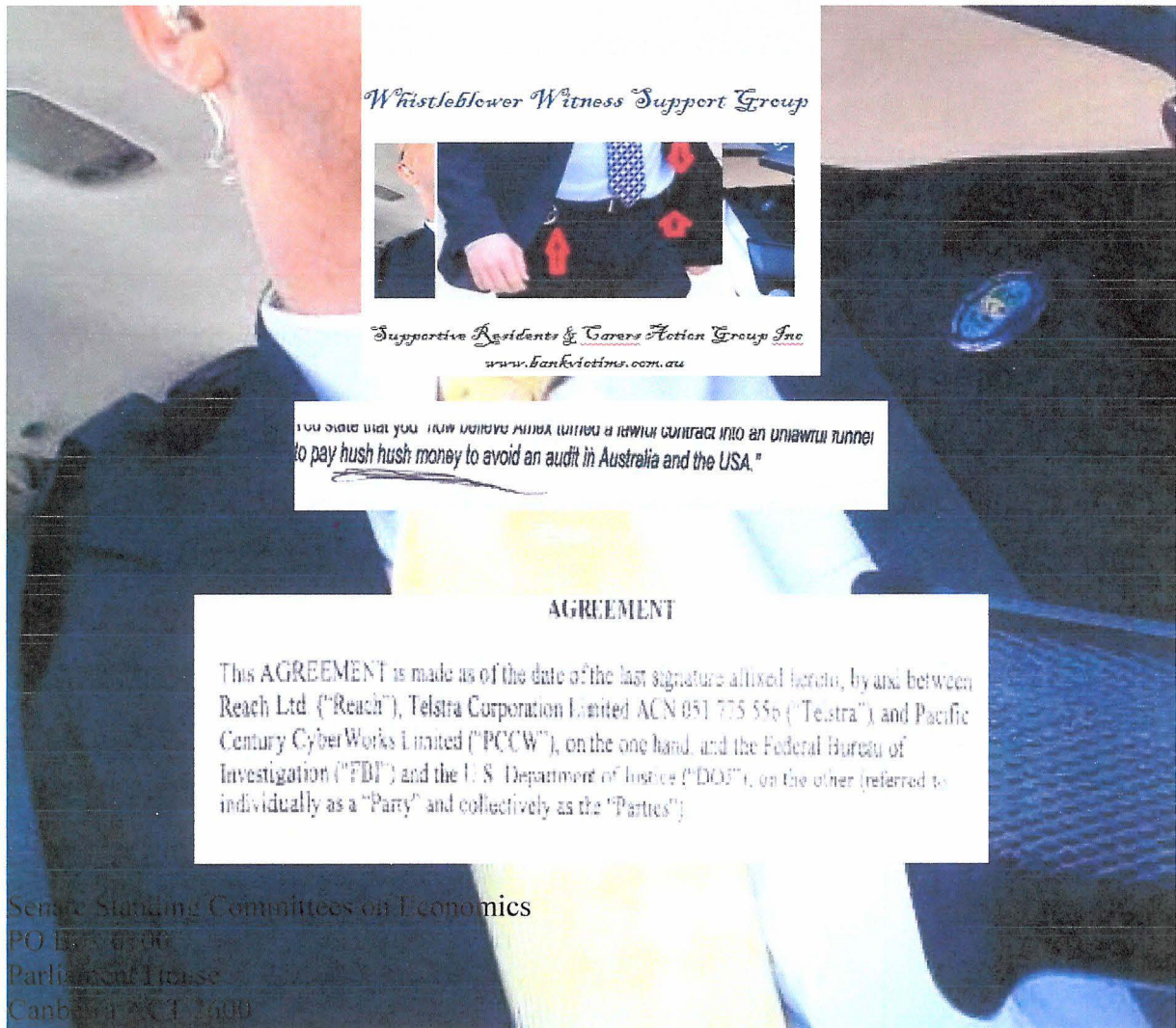


Submission to the Senate Inquiry
chaired by Senator Sam Dastyari
into
Foreign Bribery/Corruption



Senate Standing Committees on Economics
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Dear Senators,

We enclose our law colleagues' Minutes ..from 1930, the age of gangsters, tommy guns and stock market crashes - some of our people have seen a lot.

Tor B: Suppression Orders:

The RBA documents in the Note bribery case had to go to real overseas law enforcement and intel people under one proviso in Justice Hollingworth's gag order (that was lifted a year later, last week). Who's protecting who? (Incidentally you should look at power companies basically owned by relatives of foreign politicians and ask whether faux management fees are siphoned off the top: are power company customers paying the consequences, and was the Royal Commission into bushfires run by lawyers rather than accountants? We think the accountants are better investigators, hence we support the RICO book keeping crime laws).

We think your legal system better get back to looking at secret gag cases holistically rather than as a case by one party ex parte without asking other foreign politicians if they support or oppose the gag order.

Tor A: better investigations:

We enclose the Telstra-FBI agreement for wire taps. What does it prove?

Also enclosed are a "few" of the "kerzillion" comments in support of a Royal Commission on American-style anti-mob accounting laws called Rico and Slapp from some of the 2,700 out of 3,000 Australian followers that helped vote in the anti-graft Independent MPs in Queensland. The silent majority is sick and tired of the corporate greed and graft and backroom deals. FYI

Anonymous Supporter

Anonymous Residents of Carers Action Group Inc



██████████ This is racketeering at its finest and FOS is complicit in this. A definition : Racketeering refers to criminal activity that is performed to benefit an organization such as a crime syndicate. Examples of racketeering activity include extortion, money ... [See More](#)
Like Reply 6 May 30 at 8:56pm



██████████ Any of these ring true Brett? Accessory to the crime. Aiding and abetting. Facilitating a crime. Accomplice - probably not unless money changes hands. Hmmmmmm 😊
Like 1 May 30 at 9:26pm



██████████ I got \$2000 as settlement from anz through fos the max was \$3000 for my loss of \$50000 by selling my house cheap when they changed the terms and condition of my loan that said "at any time the anz can reduce or cancel your credit limit" they later changed it to include "with 30 days notice in writing". They said they didn't make me sell the house, just harassed the hell out of me. It was an absolute uphill struggle but I had the proof dates etc. Previous books of terms and conditions are destroyed at the branches when a new one comes in, some can be found online so keep those booklets when they come in the mail. The change was notified as a sentence on the end of my statement only and was during gfc. Sneaky
Like Reply 3 May 30 at 5:30pm



██████████ Just pathetic CNF. How do they get away with this stuff? Contracts that allow these sort of unilateral changes are not real contracts. One of our aims is to change the nature of bank contracts so that they are fair and transparent. Banks abuse contract law and Courts let them do it.
Like 1 May 30 at 5:51pm



██████████ I wrote back to FOS as I am infuriated with that phoney organization. I sent it to the Senate Committee members and other the senators, Malcolm Turnbull my local member of parliament and various journaliststhis organization known as FOS is proving to be a front for the organised crime occurring in banking I have no problem BRN posting it. Surely the police should look into this phoney and fraudulent organization in its ability to condone and cover up crime.
Like Reply 5 May 30 at 3:07pm



10 such assets. Section 1957 prohibits the conducting of a
11 monetary transaction with property known to be the proceeds of
12 unlawful activity with a value greater than \$10,000, i.e., the
13 proceeds of (i) a foreign offense involving the
14 misappropriation, theft, or embezzlement of public funds by or
15 for the benefit of a public official; (ii) a foreign offense
16 involving bribery of a public official; (iii) transportation of
17 stolen or fraudulently obtained money (18 U.S.C. § 2314); or
18 (iv) receipt of stolen money (18 U.S.C. § 2315). See 18 U.S.C.
19 §§ 1956(c) (7) (B) (iv), and 1956(c) (7) (A) (incorporating by
20 reference offenses enumerated in 18 U.S.C. § 1961(1)).
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big bank bandits who steal billions from their customers get off scott free because they share their wealth with the people in Washington.

In a compelling call to action, Helen Davis Chaitman and Lance Gotthoffer, authors of the riveting book "JP Madoff: The Unholy Alliance Between America's Biggest Bank and America's Biggest Crook," published on their website jpmadoff.com, ask a fascinating question: When big banks commit fraud, why not prosecute their officers under RICO--The Racketeering Influenced Corrupt Organization Act-- which provides for disgorgement of profits and long prison sentences for the offenders?

Working from the thesis of the late Senator Robert F. Kennedy that citizens get the quality of law enforcement they demand, the authors make a compelling case that nothing would have a greater impact on cleaning up Wall Street than prosecuting under RICO the senior officers of a financial institution that routinely flouts the law -- JPMorgan Chase.

The proposal is neither theoretical nor Quixotic--except to the extent the current administration seems unwilling to pursue big bank bandits for anything more than their shareholders' dollars. Though enacted to battle organized crime, the statute includes among its predicate racketeering acts decidedly Wall Street kinds of crime like securities fraud, wire fraud, mail fraud, bribery, etc. And at its core, the authors' proposal hinges on another question so irrefutable in its logic that, with anyone but the Obama/Holder administration, it would seem to be tautological. When bankers act like gangsters, why don't we treat them like gangsters? As the authors explained in Chapter 4 of their book, the similarities between JP Morgan Chase's operations and those of the Gambino Crime Family are more striking than the differences.

And the authors' proposal really isn't radical. Why shouldn't criminal bankers be put in jail? As Chaitman and Gotthoffer point out, 25 years ago the federal government prosecuted junk-bond king Michael Milken and his firm, Drexel Burnham Lambert, under RICO. Milken made a deal with the government and served a reduced prison sentence in return for giving the government evidence on other criminals at Drexel. Isn't the epidemic of criminality on Wall Street due to the fact that the government has adopted a hands-off policy?

Chaitman and Gotthoffer use the abysmal recent history of JP

Morgan Chase—which as the “Wheel of Misfortune” on their website confirms, has paid out \$29 billion to various governmental agencies and customers since 2009 on claims that the Bank acted illegally. Check out the Wheel of Misfortune and you will see why a RICO prosecution makes sense. The authors gathered an impressive array of facts from the public record about JP Morgan Chase’s alleged (and, in many instances, admitted) violations of law and have shown exactly how the pattern of illegal activity falls squarely within the RICO statute. Just this month, the Senate issued a report concerning its investigation of bank control over the physical commodities market in which it quoted representatives of the Federal Energy Regulatory Commission that they had “never before witnessed the degree of blatant rule manipulation and gaming strategies” that JPMorgan utilized in the electricity market. Can anyone think of a legitimate reason why bankers who commit crimes should not be imprisoned for those crimes?

Unlike the present administration that protects the identity of banksters, Chaitman and Gotthoffer name names. In fact, they have served up all the ingredients of a RICO prosecution on a silver platter. The one thing left to be done is for the prosecutors to do their job. The specific criminal episodes they dissect are fascinating too. There is, of course, the recent bombshell launched by former JP Morgan Chase in-house lawyer, Alayne Fleischmann, on how JPMorgan Chase routinely lied about the toxic nature of the mortgages they were selling and how her complaints about this to managing directors were ignored; and how, if her statements are true, at least one of these officers lied to federal regulators about it in violation, at least, of 18 USC 1001.

There is also the 20+ year relationship of the Bank with Bernard Madoff, which the authors have so ably covered in prior chapters, where the potential “predicate act” crimes are infinite in their possibilities. And the authors describe two current criminal investigations of JPMorgan Chase: one for alleged bribery of high level Chinese government officials (including the former Prime Minister) in return for getting business in China — a classic violation of the Foreign Corrupt Practices Act; and the other, JPMorgan Chase's admitted involvement in a scheme with other major U.S. and European banks to fix foreign currency exchange rates. There isn't too much dispute about what happened here. JPMorgan Chase has already paid regulators penalties of over \$350 million and it is still under investigation by the Department of Justice, so this would seem to be the ideal time for the government to protect the public by putting

the criminals responsible for these crimes in jail.

Remarkably, in most if not all of these episodes, JP Morgan Chase's "explanation" in deferred prosecution agreements or other submissions to the government is that there was a "compliance lapse," or failure of "system controls" — in other words, no intent to commit a crime. However, the evidence the authors have assembled indicates that the people at JPMorgan Chase knew exactly what they were doing and intended to violate the law.

Moreover, can we really believe that JPMorgan Chase, America's biggest bank, just can't figure out how to comply with any law the government has enacted? With its huge in-house legal staff, this is pretty hard to believe. In the end, it is difficult to argue against the authors' logic: big fines have not stopped big banks from committing big crimes. Why should they? The bankers simply pay the fines with shareholder money and find another fraud to recoup the loss. Jamie Dimon's salary was cut 37% in 2013 in the wake of the "London Whale" trading scandal, then raised by 74% in 2014 in the wake of the Madoff plea agreement. What was the Board of Directors thinking?

Clearly, we can see from experience that immunizing Wall Street from criminal prosecutions simply encourages more criminal conduct. It is time our government enforced the criminal laws against the super-rich. Nothing would be more effective in deterring crime on Wall Street than putting senior officers of JPMorgan Chase in jail for the crimes they have committed.

So what is the problem? Why won't the prosecutors prosecute? Because the folks in Washington are more interested in pandering to financial criminals than in protecting the public. It's time we told Washington that we have zero tolerance for Wall Street banksters. It's time for honest citizens to demand that the government de-criminalize the financial services industry, using the same tools that the government uses to go after organized crime.

Author: Laurence Kotlikoff

Source: forbes.com

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