

Citigroup's Unchecked Crime Wave Proves that America Is Headed in the Wrong Direction

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[Wall Street on Parade](#)

Theme: [Global Economy](#), [Law and Justice](#)

Sanford (Sandy) Weill, the Man Who Put the Serially Charged Citigroup Behemoth Together

Citigroup, the bank that played a central role in bringing America to its knees in 2008; received the largest taxpayer bailout in the history of finance to resuscitate its insolvent carcass; pleaded guilty to a felony count of rigging foreign currency trading in May and was put on a three year probation – is now under a string of criminal and civil investigations.

On August 3, Citigroup filed its quarterly report (10Q) with the Securities and Exchange Commission (SEC). Instead of reporting a pristine slate free of transgressions as one would expect from a felon on probation, Citigroup reported that it had settled allegations of money laundering with the Federal Deposit Insurance Corporation and the Commissioner of the California Department of Business Oversight involving its Banamex USA unit. The bank was, as typical, able to pay a penalty of \$140 million and avoid an admission of guilt.

What Citigroup did not report on its 10Q is that it is also under another criminal money laundering probe by the Justice Department for its Mexican-based Banamex unit, according to a Bloomberg Business report. On July 24, Bloomberg reported the following:

“The U.S. Justice Department is investigating whether Citigroup Inc. let customers move illicit cash through its Mexico unit, setting the bank’s biggest international operation in the path of an expanding money-laundering probe.”

Publicly-traded companies are required to report material information to investors. Citigroup’s 10Q was filed on August 3 while the Bloomberg report was filed 10 days earlier, indicating that subpoenas had been issued to the company. Why Citigroup did not report the new investigation is unknown. Citigroup has a serial history of money laundering allegations, as Wall Street On Parade [reported in 2013](#).

Also during the month of July, Citigroup reached a settlement with the Office of the Comptroller of the Currency and the Consumer Financial Protection Bureau (CFPB) over charges of bilking its credit card customers. The [CFPB charged Citigroup’s commercial bank](#), Citibank, with a raft of illegal acts, including charging credit card customers for fraud and identity theft services that were never provided, and deceptive marketing practices to bilk customers out of illegal fees. The bank was ordered to return \$700 million to 8.8 million customers and pay a penalty of \$35 million.

A paltry penalty of \$35 million dollars for ripping off 8.8 million customers for a felon bank on probation with a serial history of wrongdoing seems like a serious mismatch of

punishment matching the crime.

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