

# Jaw-Dropping Crimes of the Big Banks

By [Washington's Blog](#)

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*Preface: Not all banks are criminal enterprises. The wrongdoing of a particular bank cannot be attributed to other banks without proof. But - as documented below - many of the biggest banks have engaged in unimaginably bad behavior.*

You Won't *Believe* What They've Done ...

Here are just some of the improprieties by big banks:

- [Funding the Nazis](#)
- [Laundering money for terrorists](#)
- Financing [illegal arms deals](#), and funding the manufacture of [cluster bombs](#) (and see [this](#) and [this](#)) and other arms which are banned in most of the world
- [Launching a coup](#) against the President of the United States
- Handling money for [rogue military operations](#)
- Laundering money for drug cartels. See [this](#), [this](#), [this](#), [this](#) and [this](#) (indeed, [drug dealers kept the banking system afloat](#) during the depths of the 2008 financial crisis)
- Engaging in mafia-style big-rigging fraud against local governments. See [this](#), [this](#) and [this](#)
- Shaving money off of virtually every pension transaction they handled over the course of decades, stealing collectively billions of dollars from pensions worldwide. Details [here](#), [here](#) and [here](#)
- [Manipulating](#) gold prices ... on a [daily basis](#)
- Charging "storage fees" to store gold bullion ... [without even buying or storing any gold](#). And [raiding allocated gold accounts](#)
- Committing massive and pervasive fraud [both when they initiated mortgage loans and when they foreclosed on them](#) (and [see this](#))

- Pledging the *same* mortgage *multiple* times to *different* buyers. See [this](#), [this](#), [this](#), [this](#) and [this](#). This would be like selling your car, and collecting money from 10 different buyers for the same car
- [Cheating homeowners](#) by gaming laws meant to protect people from unfair foreclosure
- Committing [massive fraud](#) in an \$800 trillion dollar market which effects everything from mortgages, student loans, small business loans and city financing
- Manipulating the [hundred trillion dollar derivatives market](#)
- Engaging in insider trading of [the most important financial information](#)
- Pushing investments which they knew were terrible, and then betting against the same investments to make money for themselves. See [this](#), [this](#), [this](#), [this](#) and [this](#)
- Engaging in unlawful “[frontrunning](#)” to manipulate markets. See [this](#), [this](#), [this](#), [this](#), [this](#) and [this](#)
- Engaging in unlawful “Wash Trades” to manipulate asset prices. See [this](#), [this](#) and [this](#)
- [Otherwise](#) manipulating markets. And see [this](#)
- Participating in various Ponzi schemes. See [this](#), [this](#) and [this](#)
- Charging veterans [unlawful mortgage fees](#)
- Helping the richest to [illegally hide assets](#)
- [Cooking their books](#) (and see [this](#))
- [Bribing](#) and [bullying](#) ratings agencies to inflate ratings on their risky investments
- [Violently cracking down on peaceful protesters](#)



Image by [William Banzai](#)

The executives of the big banks invariably pretend that the hanky-panky was only committed by a couple of low-level rogue employees. But studies show that [most of the fraud is committed by management](#).

Indeed, one of the world's top fraud experts - professor of law and economics, and former senior S&L regulator Bill Black - says that most financial fraud is "control fraud", where the people who own the banks are the ones who implement systemic fraud. See [this](#), [this](#) and [this](#).

Even the bank with the reputation as being the "best managed bank" in the U.S., JP Morgan, has engaged in massive fraud. For example, the Senate's Permanent Subcommittee on Investigations released a report today quoting an examiner at the Office of Comptroller of the Currency - JPMorgan's regulator - saying he felt the bank had ["lied to" and "deceived"](#)

the agency over the question of whether the bank had mismarked its books to hide the extent of losses. And Joshua Rosner – noted bond analyst, and Managing Director at independent research consultancy Graham Fisher & Co – notes that JP Morgan [had many similar anti money laundering laws violations as HSBC, failed to segregate accounts a /a MF Global, and paid almost 12% of its 2009-12 net income on regulatory and legal settlements.](#)

But at least the big banks do *good* things for society, like loaning money to Main Street, right?

Actually:

- The big banks no longer do very much traditional banking. Most of their business is from financial speculation. For example, [less than 10% of Bank of America's assets come from traditional banking deposits](#). Instead, they are mainly engaged in financial speculation and derivatives. (and see [this](#))
- The big banks have slashed lending since they were bailed out by taxpayers ... while smaller banks have increased lending. See [this](#), [this](#) and [this](#)
- A [huge portion](#) of the banks' profits comes from taxpayer bailouts. For example, [77% of JP Morgan's net income comes from taxpayer subsidies](#)
- The big banks are [looting, killing the economy ...](#) and [waging war on the people of the world](#)
- And our [democracy](#) and [republican form of government](#) as well

We can almost understand why Thomas Jefferson [warned](#):

And I sincerely believe, with you, that banking establishments are more dangerous than standing armies ....

John Adams [said](#):

Banks have done more injury to religion, morality, tranquillity, prosperity, and even wealth of the nation than they have done or ever will do good.

And Lord Acton [argued](#):

The issue which has swept down the centuries and which will have to be fought sooner or later is the people versus the banks.

No wonder a [stunning list of prominent economists, financial experts and bankers](#) say we need to break up the big banks.

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