Wall Street Bank Fraud: Database Reveals U.S. as "Financial House of Horrors"

By Pam Martens and Russ Martens
Global Research, September 07, 2016
Wall Street onParade 1 September 2016

Region: USA
Theme: Global Economy

The Consumer Financial Protection Bureau (CFPB) has set up an online database of financial horror stories that shows what happens when an average American interacts with one of the financial supermarkets (a/k/a universal banks) that grew out of the repeal of the investor protection legislation known as the Glass-Steagall Act. The complaints are concentrated against the biggest Wall Street banks.

If you are one of the lucky Americans who has not already been mugged in the shopping aisles of the financial supermarkets, you should carefully browse through the database to see what awaits the unwary. Just go to the complaint archive, and place the name of any bank you want to examine in the upper right-hand search box. Searching under the name Citibank (part of the Wall Street behemoth Citigroup) will bring up 29,000 rows of complaints. A search under Chase, part of the mega Wall Street bank, JPMorgan Chase, brings up 37,000 rows of complaints. After years of being charged by Federal regulators for abusing their customers and the public trust, both U.S. banks became felons on May 20 of last year when they admitted to felony charges related to rigging foreign currency markets.

Wall Street banks are intended to function as efficient allocators of capital to grow new businesses and industries in America. But since the Glass-Steagall Act was repealed in 1999 under pressure from Citigroup, Wall Street's biggest banks increasingly function as legalized loan sharking operations – targeting the poor, minorities and financially unsophisticated. In what has become a highly efficient, wealth transfer mechanism, billions of dollars each month move from the pockets of those least able to protect themselves from financial abuse to the coffers of the one percent in America who sit in the executive offices of these banks.

Under the Glass-Steagall Act of 1933, banks holding insured deposits were not allowed to be affiliated with Wall Street investment banks and brokerage firms — which have a storied history of stock frauds, abusing their customers, and blowing up. That protection was removed when President Bill Clinton signed into law the Gramm-Leach-Bliley Act on November 12, 1999, the legislation that repealed the Glass-Steagall Act. After protecting the nation for 66 years, it took just 9 years after its repeal for Wall Street to implode, taking the U.S. economy with it.

Bill Clinton and his Treasury Secretary, Robert Rubin, ushered in the era of the financial supermarket that has trapped America in a time warp of 1920s-style abuses on Wall Street and the income and wealth inequality that it has spawned. Rubin had the audacity to head straight for Citigroup's Board after stepping down as U.S. Treasury Secretary, collecting $126 million in compensation over the next decade.

This year Senator Bernie Sanders' supporters were able to pressure the Democrats to include the restoration of the Glass-Steagall Act into this year's Democratic Party Platform, but political watchers were shocked that it also ended up in the Republican Party's Platform as well. The financial atrocities coming out of the publicly accessible database set up by the CFPB has sent a chill through both parties. Behind the scenes, both Democrats and Republicans believe there could be another epic crash like that of 2008 and neither wants the other party pointing the finger and saying, you blocked us from restoring the Glass-Steagall Act.

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Articles by: Pam Martens and
Russ Martens