

The real drug kingpins are on Wall Street

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“Who is the greater criminal,” famously asks a character in one of Bertolt Brecht’s plays, “he who robs a bank or he who funds one?”

For brazen criminality, no one tops the bankers. But a banker in jail is as rare as an honest senator.

Take Wachovia Bank, as it used to be called. Wachovia went under in the great financial collapse of 2008 and was taken over—with the aid of billions in government funding—by Wells Fargo.

In March 2010, Wachovia was found guilty of having laundered at least \$378 billion (yes, billion with a “b”) in drug money from 2004-07 for Mexican drug cartels, the same gangs that have wreaked murder and misery on much of Mexico, leaving more than 40,000 dead. Without money launderers, the big-time drug cartels cannot function.

In return for its invaluable services to the drug kingpins Wachovia raked in a sizable share of the loot.

Did the Wachovia CEO and his lieutenants know where this river of dirty money was coming from? Obviously, they did. They surely did not think it was from the meager earnings of small farmers or factory workers, or even from legal industries. There could have been only one source for \$378 billion—an amount equal to over one-third of Mexico’s gross domestic product.

A June 30, 2010 Bloomberg News article quoted lead federal prosecutor, Jeffrey Sloman: “Wachovia's blatant disregard for our banking laws gave international cocaine cartels a virtual carte blanche to finance their operations.” Martin Woods, the director of Wachovia’s anti-money-laundering unit, quit the bank after Wachovia executives repeatedly ignored his documentation of drug dealers laundering funds through the bank. Woods told Bloomberg, “It’s the banks laundering money for the cartels that finances the tragedy [in Mexico].”

The cartels used some of the laundered money, funneled through a “legitimate” bank, to buy large planes for the transport of hundreds of millions of dollars of cocaine. Some of the funds were laundered through Bank of America, which has long been notorious for the practice.

Who goes to jail in the bogus ‘war on drugs’?

In U.S. federal court, conviction of possession of crack cocaine with a street value of only \$378 results in a minimum sentence of 5-10 years in prison. The majority of the 2.3 million jailed people in the United States are there for small-time drug offenses.

So, the Wachovia executives, who admitted their guilt, must have gotten really long sentences for their \$378 billion drug business, right? Not exactly.

Not one Wachovia executive spent a night or even an hour in jail, although the value of their crime was 1 billion times greater than the average street dealer. The federal prosecutors, after making

strong-sounding speeches for public relations purposes, settled the case by fining Wachovia (which by then had been acquired by Wells Fargo) only \$110 million and penalizing them an additional \$50 million. That amounts to about .04 percent of the \$378 billion they laundered, and a mere 2 percent of Wells Fargo's profits for 2010. Apparently, if you operate a multi-billion dollar bank, crime does pay.

The federal prosecutors agreed to suspend their criminal "investigation" for one year. In April 2011, they announced that it was all over and there would be no further "punishment" for Wachovia or Wells Fargo—as if they had ever been punished at all.

Tackle the drug problem by seizing the banks!

This episode shows once again that while the government rules over the people under capitalism, the banks rule over the government and the entire system. This will only change when the people take power and put an end to a system of, by and for the super-rich.

The Party for Socialism and Liberation has been calling for the assets and profits of the major banks to be seized and put under the control of a democratically controlled and publicly owned People's Bank.

With this act (which would not include the seizure of individuals' private deposits) we could fund a massive jobs program to put everyone to work with union wages, rights and benefits. We could provide free education for all, end all foreclosures and evictions and offer health care, including drug rehabilitation, to everyone in the country. This is truly addressing the drug problem.

The case for seizing the banks is straightforward. The bankers torpedoed the economy through their fraud. They play a purely parasitic role in the economy and have built their wealth on others' labor—from the exploitation of slave labor to the present-day exploitation of workers. In addition, the people have already paid for the banks through the bailout.

A real war on drugs means a complete overhaul of the economy—and it has to start with the millionaire Bank kingpins on Wall Street.

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