The Brutal Truth Of Corporate Criminality Exposed

Summary:
Bankers have a well-oiled operation which has enriched and protected them. Henchmen in law, politics and the regulatory system have all played an essential role in enabling corruption in the banking and finance sector.

However - times have now changed. The people are now aware and alarmed. They will no longer tolerate being abused and ripped off by a system which no longer appropriately serves the needs of Australians. Dr Evan Jones shows you the brutal truth right here.

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Bank Corruption - It's The System

Fairfax and the ABC reported on mass demonstrations against corruption in Romania, on August 12. Fairfax claimed Romania is “one of the European Union’s most corrupt states”.

These things only happen “over there”, right? Nothing like this could develop in our functioning democracy.

Well, not quite.

In Australia, you can have your superannuation nest egg plundered.

You can have your home stolen via a dodgily-written mortgage contract.

You can have your small business or farming enterprise shut down and all assets (critically, the family home) confiscated.

These things are happening on a systematic basis.

There has been ongoing reporting of individual instances of bank malpractice and occasional reporting of large scale institutionalised malpractice (for example, Storm Financial). Reporting of the banking royal commission hearings has quickened the pace.

But nobody, including the media, joins the dots, and academia is asleep in its ivory tower.

The key financial institutions (banks, insurance companies, brokers) are structurally given to corrupt practices. As are those in related “professions”; law firms and receivers on the bank teat are fetid. All those in relevant authority are complicit.

Some of these practices are transparently illegal. AMP and the National Australia Bank charged people for financial advice who happened to be dead. Other corrupt practices (or most?) are formally legal or in a grey area.

Whichever the case, all banking corrupt practices have been de facto legitimised.

The law

The law is either irrelevant or acts to reinforce the corruption. Within the financial sector, the rule of law simply does not apply.

A bank lending manager can, at will, falsify key documentation in a mortgage contract without the prospective borrower’s knowledge. Incomes of applicants can be falsified, the valuation of customer assets inflated, and signatures can be forged.

A bank lending manager can write a small business or farmer loan with inappropriate facilities. These will often be accompanied by promises that will not be kept, such as an initial promise to turn over a short term loan.

A bank lender may pursue default when a borrower is “wounded” by adverse conditions — sectoral deregulation (such as in the dairy industry), drought, flood or cyclone (especially in Queensland).

But no excuse is necessary, even if a customer has an exemplary repayment record.

Defaulting a small business or farmer is simple, with options available.

The bank may have forced the borrower onto undue dependence on the basic overdraft facility — used for operating expenses — which is repayable at call.

If the borrower has been put on bill facilities, these have to be turned over regularly. On turnover, the banks can make the terms more onerous and/or they can delay crediting the borrower’s account — the latter inhibiting the borrower’s dealings with its suppliers.

A common method is to instruct a valuer to reduce the value of borrower assets that the

bank holds as security. The borrower is debited with the valuation cost and may not even get to see the report. The reduced security valuation increases the loan to valuation ratio, which renders the loan defaultable.

Security devaluation was the general vehicle for the Commonwealth Bank of Australia to take down almost 900 Bankwest customers (typically commercial property) after it took over Bankwest in December 2008.

Borrower funds on deposit will be frozen, and in time probably stolen.

Receivers may be sent in. The receiver will destroy the business by neglect or damage. Costs, discretionary and typically exorbitant, will be to the account of the powerless customer.

The sheriff (a public servant) will brutally evict the foreclosed borrower from their residence, sometimes with police assistance, often causing damage in the process.

Borrower property is perennially sold under market value, assisted by a compliant real estate agent — sometimes to insiders.

This practice generates a manufactured residual debt, from which the bank obtains a tax deduction, and with which the bank will threaten impoverished customer with bankruptcy and deny them litigation rights.

Banks

The foreclosed and evicted customer will then be generally homeless and penniless, forced onto Newstart or the pension, and living in makeshift digs.

This kind of victimisation, although widespread, is of course partially random.

Which borrowers get “chosen” is dependent on the preparedness of the customer’s lending manager (and those around them) to engage in dirty tricks.

What is universal is that once the local corrupt practices come to light, head office will step in to cover for the rogue employee.

Some scams are directed from head office itself, notably the CBA large-scale takedown of Bankwest customers.

Sometimes head office will replace a lending manager who is competent and has a productive relationship with the customer with one or more rogue managers that facilitate the customer’s demise.

Occasionally, a bank will tolerate the operation of a petty criminal gang, with a member or two inside the bank or hiding behind a bank’s structures.

Bank customers are the victims.

This scenario was given rare exposure in Victoria by Fairfax in the case of two separate scams — that of mortgage broker Aizaz Hassan, and a scam centred on gambler Bill Jordanou using the Box Hill CBA branch.

Other unreported cases include a gang operating out of the NAB in Sydney and out of Westpac on the Gold Coast. Of importance here is that the victims have had no assistance from the banks.

On the contrary — the bank victim has no friends.

ASIC & FOS

Australian Securities and Investments Commission (ASIC) tells victims to go away. It lies to complainants regarding its powers.

ASIC acquired responsibility for retail consumer financial services from its inception in 1998. It acquired responsibility for business to business unconscionable conduct in 2001-02, with the amendment of the ASIC Act's section 12C.

Not a single case has been taken in support of small business and farmers under section 12C.

The Financial Ombudsman Service (FOS) decides for the bank in significant cases. It is bank-funded and obeys its funders. **FOS wastes victims' time, imposes arbitrary deadlines on them and might occasionally determine a partial redress only to have the bank ignore the order.**

Should the victim be "lucky" enough to get to mediation, whether conventional or under state-based Farm Debt Mediation structures, they will be brutalised by bank staff or the bank's legal team, with the compliance of the formal mediator.

Should the victim have scraped together some money for a lawyer to represent their interests, they will regularly discover **that their lawyer has been warned or paid off and is working for the other side.**

Should the victim then be "doubly lucky" to achieve a settlement, its financial concession to the victim will be trivial, it will have exonerated the bank from guilt, and it will be subject to confidentiality to hide the criminal intent within.

The victim will go to their local member of parliament or state senator for assistance. Said parliamentarian will typically forward the correspondence to the relevant minister.

Either way, the victim's parliamentary representatives or the minister will direct them to go to FOS or to the courts.

Courts

The courts, in turn, are brutally biased against bank victims.

Put the bias partly down to a poor education. Judges are steeped in the law of contract, for which each party is in command of their senses and the options and the market will decide the outcome. They rarely look behind the story.

Coupled with bank refusal to discover incriminating customer documents, bank legal teams' sophistry in misrepresentation and the fact that some **judges have acted for the banks on their way to the bench, judgments are regularly a lay down misere for the bank.**

However, **some pro-bank judgments are so unbelievable that one can only infer that the judge is short of a few marbles or a beneficiary of external largesse.**

There is scandalously no register of interests for the judiciary in Australia.

Politicians

As for the political class, perhaps there are no brown bags in Australia. But for banks there are successful alternatives. The **banks are key donors to party funds, crucial for winning elections.**

The Liberals are ideological and social bedfellows with the finance sector elite.

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Labor has its ghosts that it cannot dispel: the Hawke/Keating government's role in **financial deregulation**; the 1991 Martin Inquiry whitewash and the **privatisation of the Commonwealth Bank;** its carte blanche given to **CBA's Bankwest takeover.**

Bank victims are thus the dispensable casualties of the political parties' sashays with corporate power.

The revolving door (through direct employment or consultancies) is widespread and NAB is the past master. NAB also happens to be the most consistently corrupt bank in the industry.

The current chairperson of the NAB board, Ken Henry, was previously the most senior relevant public servant in the land. That this transition is tolerated is symptomatic of the malaise.

The banks remain unrepentant.

When the royal commission roadshow has finished, there is every likelihood that it will be business as usual.

Bank Reform Now (BRN) Comments:

Dr Jones nails it again. Except for one thing - **this time the banks will not go back to business as usual.** Firstly - the bankers' preferred Royal Commission is about to be boosted with broader terms and more resources.

How so? Because as of now the Senate has already supported the move. In the Lower House it is only the Liberal Party - and perhaps a few National Party MPs that still oppose it. **We expect bipartisan support for a longer and stronger Royal Commission to be announced by Scott Morrison and Bill Shorten within two weeks.**

Do the numbers and you'll see why we are confident. Better still - join in and become one of the number that take action to help - **see below.**

Second - the environment has now changed. Behind the scenes several banks are very keen to settle legacy cases. It is just too embarrassing for open and shut cases of bank bastardry to fester. Soon more politicians will be contacting bank CEOs about sorting out these cases. **We are now at the point where it is becoming unacceptable to side with the banks.** Politicians now know it is electoral suicide.

Our country is at risk. Politicians need to realise that pretty soon very **few of us will "have a go"** in any venture or investment because the deck is stacked against us ..... **most of us have no chance of "a fair go."** The bankers and government have set the scene for GFC Round 2. **We need reform .... now.**

Take Action Now

Support the BRN Campaigns & Victims of the Corrupt Banking and Finance Sector in Australia.

- Sign the Petition For An Extended Banking Royal Commission
- Find your local Member of Parliment and contact them (link is external)
- Join in and support the Bank Reform Now campaigns - Follow On Facebook, **Create A**

Website Account

- Donate to the Bank Reform Now fighting fund to **help us spread the word**!

Websites For More Information: Source - Dr Evan Jones - GreenLeft Issue 1194 - 30.08.18
https://www.greenleft.org.au/content/bank-corruption-systemic

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