



Drug Money Props Up Banks During Recession

Antonio Maria Costa reported to the *Guardian* that he has seen convincing evidence that the cash profits made from the global trafficking of drugs were "the only liquid investment capital" available to many of the world's largest banks during 2008. He inferred from this information that much of the \$352 billion derived from these illegal activities percolated through these legitimate banks and into the fiscal streams of most of the nations of the world.

"In many instances," Costa said, "the money from drugs was the only liquid investment capital. In the second half of 2008, liquidity was the banking system's main problem and hence liquid capital became an important factor." These accusations arouse many questions regarding the participation, whether tacit or direct, of the leaders of the world and the world's banks in the systematic laundering of drug money through the washing machines of legitimate enterprise.

The principal channel through which this dirty money flowed, according to Costa, was loans made among financial institutions. "Inter-bank loans were funded by money that originated from the drugs trade and other illegal activities," he asserted. When asked by the reporter at the *Guardian* to identify the banks or countries that he believed conducting this sort of business, Costa declined. He refused to point the finger of blame, but assured the paper that the intelligence received by his office inculpated the entire "official system."

Rather than go bankrupt or be subject to the rampant craze of nationalization, many of the world's banks, according to Costa's story, consented to accept the enormous cash deposits from cartels that would normally have been hidden in offshore accounts until they were converted into property or otherwise disposed of. These banks gobbled up the specie handed them by organized crime syndicates and passed it around among themselves to stave off insolvency. Just a little crooked cash to tide them over until the traditional and legitimate streams of income started flowing again.

The question begged, then, is who gave the green light for these otherwise illegal deposits to be made? Which high-level official picked up the phone and assented to cooperate with the world's most despicable criminals? And, furthermore, did those high-level officials look for an approving nod from governmental leaders who would also be required to turn a blind eye to the collusion? These questions have never been asked of Barack Obama or Gordon Brown or David Cameron or any of the world's leaders with ostensible oversight of the banking infrastructure of their nations.

If one were to accept, in arguendo, the testimony of Costa and crunch the numbers he supplies, then as much as 20 percent of the world's "legitimate" economy is buttressed by the bricks and mortar of international organized crime. These notorious and powerful kingpins have injected their decadent dollars into the accounts of the world's banks and used cash to hide a multitude of sins. If such enormous sums have truly been infused into the white market by the black hats of the world, then where, the citizens of the world should ask, were the reputable bank presidents and elected political leaders when this exchange was being made? Were they idly, though willingly, holding the coats of these drug lords while they walked in through the lobbies of legitimacy and deposited millions?

All of this intrigue and intercourse between officialdom and racketeers may sound like the plot of a vacation thriller. In fact, it is. Best-selling novelist, John LeCarre, has written a new book entitled *Our Kind of Traitor*. In his story, the Russian mob is in cahoots with the British upper crust of the House of Lords, and together they wash the filth right out of the profits derived from the smuggling of drugs and human beings.



Written by [Joe Wolverton, II, J.D.](#) on September 10, 2010

LeCarre insists that his book was written long before Antonio Maria Costa made public his allegations. This only makes the truth, if it is indeed true, so much stranger than fiction.

Many do not doubt the veracity of Costa's assertions. In fact, most forensically-minded accountants insist that when it comes to the billions of dollars generated by the criminal cartels of the world, Presidents, Prime Ministers, and parliaments are content to "catch the minnows while leaving the sharks to roam free." The minnows in the analogy are the millions of dollars seized in highly-publicized drug busts, while the sharks are the billionaire kingpins who are always handy to have around when the banking industry needs a quick billion or two to maintain the illusion of "economic recovery."

Hector Meredith, the cynical spy with the heart of gold in LeCarre's new novel, as quoted in the story in the *Guardian*, said it best: "A chap's laundering a couple of million? He's a bloody crook. Call in the regulators, put him in irons. But a few billion? Now you're talking. Billions are a statistic." The statistics that indicate the global economy is on the brink of collapse are apparently music to the ears of cash rich mega-criminals who are pleased as punch to turn over bushels of the fruit of their evil endeavors to the bankers and bureaucrats who will turn them into delicious pies of money to be sliced up and eaten by the global community.



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