

Audit of the Federal Reserve Reveals \$16 Trillion in Secret Bailouts

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The first ever GAO(Government Accountability Office) audit of the Federal Reserve was carried out in the past few months due to the Ron Paul, Alan Grayson Amendment to the Dodd-Frank bill, which passed last year. Jim DeMint, a Republican Senator, and Bernie Sanders, an independent Senator, led the charge for a Federal Reserve audit in the Senate, but watered down the original language of the house bill(HR1207), so that a complete audit would not be carried out. Ben



Bernanke(pictured to the right), Alan Greenspan, and various other bankers vehemently opposed the audit and lied to Congress about the effects an audit would have on markets. Nevertheless, the results of the first audit in the Federal Reserve's nearly 100 year history were posted on [Senator Sander's webpage](#) earlier this morning.

What was revealed in the audit was startling:

\$16,000,000,000,000.00 had been secretly given out to US banks and corporations and foreign banks everywhere from France to Scotland. From the period between December 2007 and June 2010, the Federal Reserve had secretly bailed out many of the world's banks, corporations, and governments. The Federal Reserve likes to refer to these secret bailouts as an all-inclusive loan program, but virtually none of the money has been returned and it was loaned out at 0% interest. Why the Federal Reserve had never been public about this or even informed the United States Congress about the \$16 trillion dollar bailout is obvious - the American public would have been outraged to find out that the Federal Reserve bailed out foreign banks while Americans were struggling to find jobs.

To place \$16 trillion into perspective, remember that GDP of the United States is only \$14.12 trillion. The entire national debt of the United States government spanning its 200+ year history is "only" \$14.5 trillion. The budget that is being debated so heavily in Congress and the Senate is "only" \$3.5 trillion. Take all of the outrage and debate over the \$1.5 trillion deficit into consideration, and swallow this Red pill: There was no debate about whether \$16,000,000,000,000 would be given to failing banks and failing corporations around the world.

In late 2008, the TARP Bailout bill was passed and loans of \$800 billion were given to failing banks and companies. That was a blatant lie considering the fact that Goldman Sachs alone received 814 billion dollars. As it turns out, the Federal Reserve donated \$2.5 trillion to Citigroup, while Morgan Stanley received \$2.04 trillion. The Royal Bank of Scotland and

Deutsche Bank, a German bank, split about a trillion and numerous other banks received hefty chunks of the \$16 trillion.

"This is a clear case of socialism for the rich and rugged, you're-on-your-own individualism for everyone else." - Bernie Sanders (I-VT)

When you have conservative Republican stalwarts like Jim DeMint(R-SC) and Ron Paul(R-TX) as well as self identified Democratic socialists like Bernie Sanders all fighting against the Federal Reserve, you know that it is no longer an issue of Right versus Left. When you have every single member of the Republican Party in Congress and progressive Congressmen like Dennis Kucinich sponsoring a bill to audit the Federal Reserve, you realize that the Federal Reserve is an entity onto itself, which has no oversight and no accountability.

Americans should be swelled with anger and outrage at the abysmal state of affairs when an unelected group of bankers can create money out of thin air and give it out to megabanks and supercorporations like Halloween candy. If the Federal Reserve and the bankers who control it believe that they can continue to devalue the savings of Americans and continue to destroy the US economy, they will have to face the realization that their trillion dollar printing presses will eventually plunder the world economy.

The list of institutions that received the most money from the Federal Reserve [can be found on page 131](#) of the GAO Audit and are as follows..

Citigroup: **\$2.5 trillion** (\$2,500,000,000,000)
Morgan Stanley: **\$2.04 trillion** (\$2,040,000,000,000)
Merrill Lynch: **\$1.949 trillion** (\$1,949,000,000,000)
Bank of America: **\$1.344 trillion** (\$1,344,000,000,000)
Barclays PLC (United Kingdom): **\$868 billion** (\$868,000,000,000)
Bear Sterns: **\$853 billion** (\$853,000,000,000)
Goldman Sachs: **\$814 billion** (\$814,000,000,000)
Royal Bank of Scotland (UK): **\$541 billion** (\$541,000,000,000)
JP Morgan Chase: **\$391 billion** (\$391,000,000,000)
Deutsche Bank (Germany): **\$354 billion** (\$354,000,000,000)
UBS (Switzerland): **\$287 billion** (\$287,000,000,000)
Credit Suisse (Switzerland): **\$262 billion** (\$262,000,000,000)
Lehman Brothers: **\$183 billion** (\$183,000,000,000)
Bank of Scotland (United Kingdom): **\$181 billion** (\$181,000,000,000)
BNP Paribas (France): **\$175 billion** (\$175,000,000,000)
and [many many more including banks in Belgium of all places](#)

View the 266-page GAO audit of the Federal Reserve(July 21st, 2011):
<http://www.scribd.com/doc/60553686/GAO-Fed-Investigation>

Source: <http://www.gao.gov/products/GAO-11-696>
FULL PDF on GAO server: <http://www.gao.gov/new.items/d11696.pdf>
Senator Sander's Article: <http://sandersonsenate.gov/newsroom/news/?id=9e2a4ea8-6e73-4be2-a753-62060dcbb3c3>