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The Solari Report

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3rd Quarter 2021 Wrap Up – Taxation: With or Without Representation?

with

Carolyn Betts, Esq.



Catherine Austin Fitts: Ladies and gentlemen, welcome to *The Solari Report*. This is a discussion that has been going on for years, but it has finally turned into a real *Wrap Up*, and quite a blockbuster!

It's my pleasure to welcome to *The Solari Report* a woman who needs no introduction here. She is our general counsel, Carolyn Betts. You've heard her on *Deep State Tactics*. She has a remarkable breadth of legal experience from the very top of the financial system to the very sewers of the covert side of life.

She had a very successful career in the securities industry and then went to law school and became a partner in a law firm. She decided to become an investment banker, came to Hamilton Securities, and in a magic moment, we asked her to stay on and handle our litigation, which she did. It was sort of like the outward bound of her legal degree. She has continued to practice law in Ohio very successfully and has finally decided to join *The Solari Report* because we need a full-time general counsel.

Carolyn Betts, thank you for joining me on *The Solari Report*, and thank you for finally helping us write a piece on *Taxation With or Without Representation: Who Will Take Actions, and What Actions Can They Take?*

We had to get you to fly to the Netherlands to do this.

Carolyn Betts: Yes!

Fitts: Let me introduce this topic first, and then we have a slideshow that Carolyn and I want to walk you through (available at the *Solari* website).

For many years, I've talked about how we can't finance criminal enterprises. If we finance a criminal enterprise, we are going to continue to finance our own destruction. It's very easy to stop banking at a bank that is behaving like a criminal enterprise, and it's very easy to stop purchasing from a company that is behaving like a criminal enterprise. It's much harder to stop paying your taxes to a criminal enterprise. That requires a certain amount of thought and organization.

Taxation is the issue that we have to face, but it's a complex issue and it's a

tricky issue. That is why we did *State of Our Currency*, then *Going Direct Reset*, and *The CBDCs and the Vaccine Passports*. The final blockbuster to see what is happening in the financial system and the reset that is underway is *Taxation*.

Before we dive in, do you have any thoughts about our topic today and what it's meant to you?

Betts: My eyes are opened. I have to say that working in the corporate environment, I did not pick up any of this information. I thought HUD was there to help poor people. It's incredible what you learn when they blackball you from the corporate establishment. You work in the sewers, and you help tenants and people fight off foreclosure and eviction, and you get to understand what the courts look like at the bottom level.

The combination of that has really opened my eyes.

Fitts: I think that to understand the financial system you have to understand it from top to bottom. That is the interesting thing about your background. You can swing a billion-dollar deal with the best of them on Wall Street, but you can also handle a foreclosure for somebody who is indigent, and you are comfortable in both systems. To see the thing whole, you have to do it that way.

Let's dive in: I should point out – as we do for every *Wrap Up* – a web presentation that will ultimately become a hard copy. You can find it at <http://OurMoney.Solari.com> for the *3rd Quarter 2021 Wrap Up*. You can find the written piece by Carolyn and me, *U.S. Taxation: With or Without Representation*, at <http://OurMoney.Solari.com> under the '*Taxation*' section in the navigation bar. A complete write-up will be there.

We are going to walk you through following the outline of the article. It's important when we talk about US taxation because acting to bring the tax money back into lawful management takes organization and legal and financial action. The goal of this paper and the *3rd Quarter Wrap Up* is to begin a discussion. It's not to give you answers. Many of the answers depend on who is willing to do what and where, and many different actions can be taken. In some places, certain actions are going to make sense, and in other places, those

actions aren't going to make sense. It's going to be very diverse. That is why you have to look at many different possibilities.

We are only going to address US taxation, but I hope that after walking through this analysis for the US situation, people in other jurisdictions can do the same for their countries, states, and local areas.

Our presentation today has essentially eight parts:

I. Introduction and Purpose

II. Overview of U.S. Tax System

The federal tax system is complex, so we put together an outline that will be in the appendix to give people who are not familiar with it a quick overview.

III. Who Is Liable?

IV. Who Can and Will Take Action?

V. U.S. Taxes: Illegalities and Waste

The deterioration in the lawful use of taxes has gotten progressively worse over the last two decades.

VI. Take Action: Options and Issues

VII. Next Steps

VIII. Conclusion

Endnotes

Appendix

Before I begin the **Introduction**, is there anything else from you?

Betts: I just want to say that everybody out there has to understand that your networks and your knowledge of whatever it is that you do contributes to the actions.

My mother brought a case to the United States Supreme Court, and a bill was passed. We're not special; we are just people who happened to jump at the opportunity. So, don't think that you don't know enough to take action.

Fitts: If we are paying taxes – and taxes are one of the biggest expenditures for most people – and that money is being used in criminal ways. That can never work. There is plenty that people can do.

Introduction.

I want to start off with a story, and it's a story that *Solari Report* subscribers know. When I litigated for eleven years with the federal government, with Carolyn helping me, at the end of that period, we got a large settlement. I was in the process of paying creditors.

At the time, the money missing from the federal government was approximately \$14,000 per person, and now it's over \$65,000 per person. Hamilton Securities owed \$14,000 on a credit card to a New York Fed member bank.

The New York Fed is the depository for the US government. That means that it's its bank; it manages the government's bank accounts. So, if there is \$14,000 per person missing from the government's bank accounts, it went missing through the New York Fed member's bank accounts. The New York Fed is owned by its members; it's a private bank.

So, I wrote a letter to the credit card company – to the bank – and said, “I owe you \$14,000, but you owe me \$14,000. I'm asserting a common law right of offset, and I am deeming that my bill has been satisfied by the \$14,000 that you owe me. If you have any problem with that, you should contact my lawyer, Carolyn Betts,” and I gave them your contact information.

Needless to say, you never heard a word.

Betts: I never heard a word.

Fitts: So that was me saying, “I'm going to claw the money back,” and I believe that there are ways that we can claw the money back.

There is now \$21 trillion missing as of 2015. That is over \$65,000 per person. There are indications that there is more, but in 2018, the government

announced that from now on, it was going to have secret books. We have written and talked a great deal about that. You can find all of it at www.MissingMoney.Solari.com.

That now puts us in a position where we are paying taxes into an entity, a government, that is essentially refusing to obey all of the financial management laws.

One of the concerns I bring up in the introduction is that we are watching in the Going Direct Reset a move by the central bankers to assert control of the Treasuries. Traditionally in the Western democracies, the electorate votes for the legislature which controls the budget and the appropriation of the tax money, and the private banks – through the central banks – manage monetary policy. So, you have a balance of power between the electorate running the fiscal policy and the expenditure of tax dollars and the central bankers doing monetary policy. We are now watching the central bankers assert control over the Treasury, and it's not surprising now in the new Administration in the United States that you see the former Chair of the Federal Reserve moving in as Secretary of the Treasury.

One of the most important issues I want to underscore before we dive into the different actions we take is, that, if anything, we want to return governments to sovereignty representing the people. We are trying to get the electorate back in the game – both with respect to the money that has disappeared, and its rights to determine fiscal policy and how its tax money is spent.

We are trying to get a sovereign individual and a sovereign government back in the game and take sovereignty back. The danger, of course, is that this process will be used to help the central bankers strip sovereignty from the government.

You want to be careful when you take action whom you are helping. Always ask the question “*cui bono?* (to whose benefit)? We want to return sovereignty to the government under the influence and control of the electorate. That is our goal.

There are many different things that we can do with respect to taxes, but one of the most important questions that we need to ask is: Who can take that, and

what is the action? We will go through that today.

We've written much about the change in the currency in *The State of Our Currency* and *The Going Direct Reset*, but this is all being forced as the financial coup comes to a head with the Going Direct Reset.

Those are our thoughts on **Introduction**. We are in a period of change, and it's important that we get that change to take us back in a direction that respects both individual sovereignty and government sovereignty.

Any thoughts?

Betts: As we recorded this, we heard about a coup d'état in another country. That is obvious when some general comes in and sits at the seat of power, but it's harder for people to realize that effectively, that is what is happening to our financial system.

Fitts: We are watching a financial coup converting to a full-blown coup d'état.

Overview of US Tax System

The US tax system is complex, and it threads through every aspect of the financial system, and every act of the political and economic life in America, so we thought we would make an outline. The outline is in the Appendix, which you can check it out at <http://OurMoney.Solari.com> in the written text.

Remember that you don't need to be an expert to get a bird's eye view of how the tax system works. Although what we are writing is complex, the whole goal here is to make it simple for people who have never said, "Oh boy! I want to learn how the US tax system works."

Skim through the Appendix and you will get a good overview.

Here is the question everyone wants to know: Who did this?

Who Is Liable?

I don't know if you remember the person I worked with Paul Atkinson, the former president of Sun Shipyard and Drydock in Chester, PA who brought a qui tam (whistleblower) lawsuit. He would say, "Who is doing this?"

The question is: If we are breaking the financial management laws, if government is being run as a criminal enterprise, who is liable?

We made a list of our bets as to who the liable parties are. I'll start off with the bankers, but I'll turn the corporate contractors (starting at D) over to you.

The New York Federal Reserve Bank, Officers, and Members.

The New York Fed is a private bank owned by its members. The exact ownership is secret, as is who manages and controls their data and who has access to that data. The New York Fed plays many roles, which we cover in our article, not just the depository. This means they run the bank accounts. So, they are the government's banker; they run the bank accounts.

Their members also serve as primary dealers, and they are also the managers of the Exchange Stabilization Fund, which I describe at length in *The State of Our Currency*, and I describe it as the 'mother of all slush funds.'

They have wide power to intervene and act in the financial markets, including the derivative markets, using the federal credit. So, they sell the government securities, they run their bank accounts, and remember, the government is supposed to regulate *them*. Imagine if your regulator controls your bank accounts and controls your ability to sell securities.

Transnational Banks and their Officers and Board Members.

You and I wouldn't necessarily associate with being big New York banks, but they play major roles in the international financial markets, and they have been given wide latitude by the Department of Justice to act with impunity above the law. You

Central Banks and their Officers and Members.

In all these cases, these institutions have officers and members who are complicit in all the breaking of the financial management laws by the US government.

Betts: When you say ‘central banks,’ you are talking about our central bank, which is the Federal Reserve, and the Bank of England. Each country has its own central bank.

Fitts: Plenty of the shenanigans during the Financial Crisis were our central bank and its members working with central banks around the world. “It wasn’t me; it was the Bank of England.”

Betts: Right, and in many cases, it is the Bank of England; that is the big one.

Fitts: A very important topic to understand is that I always tell people, “You think that there is a government, but there is no government.”

Will you take on ‘Corporate Contractors, Officers, and Board Members?’

Betts:

Corporate Contractors, Officers, and Board Members.

We were a corporate contractor at Hamilton; we were the lead financial advisor for the Federal Housing Administration. At that time, we were looking at the question, “Gee, couldn’t things be more efficient if we reengineered?” This was in the 1990s. We wanted to bring in people who knew how to do sophisticated work in the private sector.

What ultimately happened was the corporate contractors like Lockheed Martin and the other huge contractors took over the government. They are the only people who know how the government actually works. The people in the bureaucracies at the various agencies are completely dependent upon the corporations who are running everything. It was quite scary. When I did a FOIA for Hamilton at one point, trying to get information about HUD, I got a response that said, “Sorry.” I don’t know whether it was Lockheed Martin or DynCorp or some government contractor who had it, but they were exempt

from disclosure requirements even for government information, so we didn't get to know this information.

Fitts: When I was Assistant Secretary, I would demand basic accounting information that I needed to run my operation. The corporate contractors who ran the payment systems would refuse to give it to me.

Betts: They do everything from the top-down. Lockheed Martin got a contract to service the parking meters in Washington, DC. There is an enormous amount of information they have to have that you and I think is private, but they have that private information on the government contracting side. What keeps them from using it for other purposes -- for their own business other than government contracting?

Each one of those corporations has officers and board members who presumably know what is going on.

Asset Managers, Officers, and Board Members.

Then you have asset managers. BlackRock, for example, is the asset manager for the Thrift Savings Plan for federal employees and members of the armed forces. Any time you have a big pot of money, somebody manages that and determines what the money is going to be invested in. Each one of those investment management corporations has officers and board members. The overlap between the corporate contractors and the asset managers and all the others -- if you look at a chart of who sits on the board and who are officers of all these companies -- in many cases, it's the same people over and over again.

Fitts: Do you remember when I did a huge radio show in the middle of the Enron scandal? The Department of Justice had not taken steps to assert jurisdiction over Enron's documents, which was very unusual if there was a real prosecution of financial fraud. The chairman of the Enron board finance committee was a lead investor in and board member of government contractor that ran the enforcement systems for both the SEC and the Department of Justice. So, the Enron board had asserted control of their investigator's documents".

I made a point in the radio show that even though the Department of Justice had not asserted control of Enron's documents, the Enron board had effective control of the Department of Justice and the SEC documents.

It's unbelievable the power that comes from their operational control of both the payment and the intelligence systems.

Betts: If that is the person I'm thinking of, the individual is also connected with the largest investor in the HUD portfolio. These same people are controlling the owners of assets like HUD housing. That is the area that we specialized in, but you can count them in every situation; there are similar patterns.

Fitts: I was in California having dinner with a woman who had been the Mayor of Sebastopol. She was opposed to a real estate development. Right before the election, out of the blue, she got a huge negative attack, lost the election, and then suddenly got an offer from Harvard to go to Latin America to do a sabbatical in something that she was very interested in and loved. She had a wonderful time. She had just gotten back, but the real estate development had immediately gone forward.

She told me this story, and I asked, "Is Harvard Endowment the lead investor in the real estate development?"

Her mouth dropped, and she dropped her fork and said, "I've been had, haven't I?"

Betts: That is exactly what happens over and over and over.

Fitts: That's why I tell people, "You want to understand how the money works locally because there are only two or three degrees of separation between the top and the bottom."

I don't know if you remember that scene in *Godfather III* where Michael Corleone's cousin points out that there are two steps between the street and the top of the Vatican. It's amusing.

Corporate (Old) Media.

The media is obviously a major player in what has happened. Do you want to address the media?

Betts: When we go to members of the oligarchy we are talking about people who meet in these secret organizations.

Members of the Oligarchy.

You will find out that at the Bilderberger conference, there is Dan Rather or whoever is the current big media person at ABC or NBC or CNN or whatever. The corporate media is repeating the same things that have been given to them by the White House or other sources that are given the same information by the White House.

The corporate media is blocking us from knowing. Do you think that the corporate media reported the \$59 billion missing from HUD or the \$2.3 trillion that Donald Rumsfeld told us about on September 10, 2001? It did not make the front page of *The Washington Post* or *The New York Times*, although they do say that if you want to see the front page of *The New York Times*, you have to go to page 23B. Much of the time, the big story is buried somewhere.

Fitts: The unbelievable thing was FASAB Standard 56. For those of you who have been subscribers for a long time, we have written and talked plenty about the Federal Accounting Standards Advisory Board. Carolyn wrote a fabulous article called *Caveat Emptor*. It's up at <http://HUD.MissingMoney.Solari.com>, or you can link to it from <http://MissingMoney.Solari.com>.

She wrote about what it means to the investor that the US government adapted a policy called FASAB Standard 56, which basically says, "We can keep secret books." It's an administrative policy that is taking the position that, as an administrative matter, we don't have to obey the Constitution or the financial management laws or the financial management regulations.

So, an administrative policy is junior to a regulation and is junior to a law and is junior to the Constitution, but they adopted an administrative policy saying,

“We can keep secret books,” and not one member of the corporate media covered it.

Finally, Matt Taibbi, after we wrote several pieces, picked it up and did a great job. But I think he has all but left *Rolling Stone*.

It’s astonishing that they had plenty of space for Supreme Court Justice Kavanaugh’s sex life as a teenager, but no space for FASAB 56.

Government, Military, and Intelligence.

This one is obvious. You know that I think the kickback system has reached unprecedented levels. A big player in this is global institutions. The corruption is a global game, and the change in control is a global game. We are watching global institutions using the banks and corporate contractors, asserting more and more power and control. The IMF and the World Bank, and these institutions are absolutely part of this picture.

Betts: Yes, and if you want to read something very interesting, read about PROMIS software, which was something developed for the Department of Justice in managing its caseload. The government stole it and built a back door and sent it to other countries to spy on them. We think that it has probably morphed into what is called PRISM, which is what Edward Snowden talked a great deal about. It’s a huge collection of information on everybody. That is presumably run by the intelligence agencies.

Fitts: When you ask, “Who is liable?”, I think that what we are looking at is a map of Mr. Global’s bureaucracy. Is that fair to say?

Betts: Yes.

Fitts: Moving to the next section:

Who Can and Will Take Action?

I’ll start with the first one:

Individuals and Taxpayers.

Obviously, under the Constitution, we are responsible. So, the citizenry is ultimately responsible. If laws are being broken and the Constitution is not being followed, it's our job to do something. It's our money, and I think what is going to happen now, in the middle of the Going Direct Reset, is the day is coming for many people – and it's here now for many people – where you have to decide if you're going to feed your kids or if you're going to pay your taxes because you can't do both. The reason you're at that point is the system has been running in a way to put you in that corner.

The government has been run as a criminal enterprise; it's putting you financially in a corner. How do you get out of that corner? Individuals and taxpayers, including their small business, have a tremendous vested interest in turning this around.

Betts: I live in an area called Columbia Township, which is tiny; it is a governmental sub-entity. Columbia Township collects taxes and invests them. I can go to meetings of the board of Columbia Township and bring up whom they are investing the money with. Individuals can take action in all sorts of places that you don't usually recognize.

Fitts: I continue to believe there is an enormous number of actions that can be taken that can have an impact.

Betts: Cash Friday is one.

Fitts: Cash Friday is absolutely one. I'll never forget meeting a group from Texas. To change the school board policies, they 'dug in' and rooted out all the financial corruption going on in the school board. They got everybody booted out and brought in a whole new team.

Attorneys, CPAs, and Tax Return Preparers.

Lead us through this.

Betts: Nothing can happen without the help of attorneys. Complicating the

matter is the concept of attorney-client privilege, which means that attorneys are not permitted to disclose the secrets of their clients, although to some extent, there is an ability to disclose if there is illegal action by the client. Without an attorney creating a special purpose entity that controls a slush fund, it doesn't happen. There has to be somebody who does the filings with the secretary of state. CPAs and tax return preparers who see all the cash flows – and those people know what is going on – don't have an attorney-client privilege.

Even at the attorney level, even though there is attorney-client privilege, the attorneys know how it works because they were there setting up the whole system. So even if they can't disclose specific things about their clients, they can tell you how the system works. They know where to 'push the buttons' and how to turn the ship.

Fitts: The attorneys plus the CPAs and tax return preparers understand the plumbing. This is much more like neurosurgery than the Boston Tea Party; you want the people who understand the full complexity of the system.

The next group is the one that I am the most hopeful for:

State and Local Officials, District Attorneys, and Attorneys General.

Tell us a little about the next group.

Betts: The district attorneys and attorneys general are the ones that I know the most about, being an attorney. The district attorney is basically the local version of the attorney general of the state. You have seen many times the attorneys general of 49 states or 30 states or whatever get together. They have meetings among themselves, and they take action against drug companies and gun companies, for example. We can see that on specific issues; they can do that in this issue, too.

They enforce state law. Most laws are state laws. The Constitution provides that except when the federal government is authorized, every issue is a state issue. Murder, theft, bribery, and all those things are state issues. Many federal laws have state equivalents. Then the district attorneys enforce at the local level. You've seen district attorneys involved in Virginia, for example, in many cases

that have federal aspects to them also e.g., federal employees who are residents of Virginia or illegal actions that have taken place in Virginia. There are district attorneys in key places who can take action.

With state and local officials, you have people on the boards of the workmen's compensation bureaus and quasi-governmental entities, e.g., sewer systems, and they are involved in all the cash flows at the state and local levels. They know where the money is, and they have the power to not cooperate or to leak to independent media that will actually print the truth. So, these are very key people.

Pension Funds.

Much of the money out there is in pension funds. We have the Thrift Savings Plan for federal government, and CalPERS and OhioPERS in California and Ohio. Those are all pension funds for federal, state, and local workers. A big percentage of the people in this country work for one of those governments with employee pension funds. Then you have union pension funds and pension funds for corporations that have money to invest.

I worked with the AFL-CIO pension fund when I was a Washington corporate attorney. They wanted to direct their money into union projects. That was not permitted under ERISA (Employee Retirement Income Security Act), but you can bet fund managers knew whether there were union people on the particular projects that they were asked to invest in.

The pension funds are important in terms of controlling money.

Fitts: If you look at this from a credit standpoint, the pension funds and the citizenry both have the most financial vested interests in figuring out where the missing \$21 trillion went. In other words, the pension funds are holding the debt, and the assets have disappeared out the back door.

They have a vested interest in saying, "Wait a minute. You can't reset this thing without putting that \$21 trillion back on the table."

Betts: As China decreases its investment in US Treasuries, guess who is

making up the difference? Pension funds.

Fitts: Yes, and one of my concerns has always been that they try to force the retirement accounts to just buy more Treasuries, although the central banks seem willing to essentially pick up the slack.

Other US Treasury Investors.

There are other US Treasury investors including wealth and sovereign wealth funds all around the world.

Judges and Magistrates.

Tell us a little about judges and magistrates.

Betts: Judges and magistrates can decide whether to grant a temporary restraining order to create a constructive trust for funds that are being spent illegally. They can create a *de facto* trust as opposed to one where you actually form a trust under a declaration of trust and exert control of the disposition of the funds. We are talking at a township level or a county level all the way up to state courts and federal courts.

Then there is the federal court that has jurisdiction over federal contracts, the US Court of Federal Claims. There are special courts that do that. So those are important, and much can be done by an attorney who really understands some of the types of actions that can be brought e.g., writs of habeas corpus and writs of mandamus, e.g.

A good trial attorney holds many of the keys to how things can get done through the courts.

Fitts: I think that a group of judges working to figure out some of the vehicles that could be used to bring accountability to the tax money could get a huge amount done the day they decide, "We have to do this."

I should point out that one of the reasons nothing has happened for the last 20 years is that the reserve currency system keeps printing more money and buys

everybody into the ongoing system, but we are coming into a period where the money is going to get tight. It's not going to buy all of these people back into the system; that is where you get an opportunity.

Let me bring up the last two:

Community and Credit Union Bankers.

If you look at where the central bankers and the financial people want to go, I think they are going to try to wipe out the community banks and credit unions. I think that this group is one of the last infrastructures really defending financial and economic freedom. So, we have a vested interest in them staying alive, and they have a vested interest in staying alive.

If they don't take action here, they may not have a business; they may get put out of business as part of the move to CBDCs (Central Bank Digital Currencies).

Accountability Groups.

There are numerous groups that work for financial and accounting accountability and have for years. They have plenty of knowledge and capacity and interest in getting the system turned around. So, they can be very helpful.

Betts: One of the important things in taking action is to find out who has the same interests and will fund the research. If there is somebody who is already interested in a particular area, going to them, you don't have to come up with the money to figure it out yourself; you make friends with somebody who already knows it.

Fitts: Let's look at the illegalities:

US Taxes: Illegalities and Waste.

We looked at what the problems were with the tax money, particularly under the law. There are three areas that we focused on. One is the failure to obey federal financial management laws, which has been my focus since 1989.

*Failure to Obey Federal Financial Management Laws.
Illegal Use of Tax Money.*

We ended up with so many that I just said, “Okay, Carolyn, stop!”

Betts: We stopped at sixteen.

Fitts: Yes, that’s enough! We could have kept on going, but that was enough.

Unproductive Uses of Tax Money.

This is another area that I’m very focused on. A great deal of money is spent in a way that is not technically illegal, but is exceptionally wasteful, and spent for a wide range of political reasons, the biggest of which is centralizing political and economic control. We don’t need the tax money just to be spent lawfully; we need the tax money to be spent productively. So, we wanted to mention that.

Let’s turn back to the failure to obey federal financial management laws. I’ve always believed that this was one of the simplest things to litigate because the government is so far across the line. It has violated its own laws so egregiously, and its violations are so well-documented. I don’t see how the government has a leg to stand on in defending these illegalities.

Betts: These are not complicated. Some of the subsections may have parts that you don’t understand, but the requirement of clean books and audited financial statements is straightforward.

Fitts: The government has failed every year since 1996 to produce audited financial statements as required by law. Imagine if we didn’t file our 1040 tax form for 20 years in a row what would happen. It’s quite extraordinary.

I finally realized that understanding the federal financial management laws was a big challenge for most reporters. So, we hired a team of attorneys in California to write seven briefing papers that are up at <http://MissingMoney.Solari.com> to help investors and interested parties, including reporters, understand what the financial management laws were of the US government, both concerning to

fiscal operations as well as the Federal Reserve.

If you go to <http://MissingMoney.Solari.com>, you can find those seven briefing papers. I will say this: Our experience is that reporters who thought they couldn't cover this story, once they get those briefing papers, they can cover it.

Of course, then you wrote *Caveat Emptor* with me, but it was really your heavy lifting. This took all that information about the different financial management laws and said, "Okay, with the breaking of these laws and what has happened, what does this mean to an investor and their credit?"

It was clear, at that point, that there was a major material omission on the part of the primary dealers. They were not telling investors in Treasuries that there were significant disclosure issues. \$21 trillion was missing. That's the material omission of all time as far as I'm concerned.

I think this one is very well-documented. Dr. Mark Skidmore made an incredible contribution with his report starting in 2017. He and his students surveyed all the documentation of money missing.

Their violations have been egregious, and they have been well-documented, and I think this keeps it simple.

Failure to obey federal financial management laws is a big one.

We came up with sixteen illegalities and waste of tax money. Why don't you just pick a couple that are of most interest to you and tell us a little about the criminal enterprise.

Betts: I like **Illegality #3: The Department of Justice Policy Granting Legal Immunity**. This may have existed a long time before, but it came to light in the case of HSBC (Hong Kong and Shanghai Banking Corporation Limited). That is an English bank – a transnational bank – that is on the list of 'too big to fail' banks, which is a global list. Who knows which individual people made the list, but it was composed by the global bankers – the central bank of central banks -- the Bank of International Settlements.

We have government appointees who sit on those boards of the international organizations. HSBC had been involved in money laundering in the drug trade to the tune of billions of dollars. The Department of Justice went after HSBC and negotiated a \$7 billion fine, but these fines mean nothing. This was accompanied by a non-prosecution agreement whereby nobody was held criminally responsible. The reason the Department of Justice did not go after HSBC criminally was that the controlling hand of the international bankers came in and said, “You’re not going to do this.”

So, our Justice Department was not sovereign in that situation; it was being controlled.

Tim Geithner was Treasury Secretary and he was involved in that capacity, but he was also an official of the Bank for International Settlements. So, he was wearing two different hats. That’s the way the orders from the global banking interests get to the Justice Department.

The Bank of England and key people internationally who supposedly have no role in the US government controlled whether HSBC was held criminally liable. It appeared that because HSBC was on the list of ‘too big to fail’ banks, it was not prosecuted criminally but, in other cases, that might have been similar-the same action to hold the banks accountable for wrongdoing was not headed off because the banks weren’t considered too big to fail.

I think that if you are too big to fail, you need to break it up and not be too big to fail, but these banks keep getting bigger and bigger instead of smaller and smaller.

Fitts: I should mention that John Titus has a great video on this very topic, *All the Plenary’s Men*.

Betts: It’s fascinating – and shocking!

Fitts: If you look at what happened with Madoff, from the mid-1990s on, he had one bank account at JP Morgan Chase. They saw everything. There was only one bank account for the asset management business, so they literally saw everything.

I said to Helen Chaitman, who was an attorney litigating over the Madoff issue, “Who was the securities custodian?”

She said, “There was none because the asset management business never bought any securities.”

That meant that if there was one bank account and all the money went into that bank account, and no money ever left the account to be invested in securities or to be transferred to a securities custodian, that meant that JPMorgan Chase was the senior partner; JPMorgan controlled.

In other words, they took in \$60 billion of asset management proceeds and never spent a dime on a security. JP Morgan knew everything; they were completely in control.

We did a wonderful insert in the *2019 Quarterly Wrap Up* where we showed \$42 billion of civil money and criminal negotiations. It was with both the Department of Justice and private litigants. JPMorgan Chase, since the early 2000s, had paid out \$42 billion in fines, but I call them ‘kickbacks.’ It’s as if they are in a public-private partnership, and JPMorgan goes out and makes the money and then kicks the money back to a variety of players.

They are functioning above the law – literally – and they know that they can function this way because there is no enforcement against them. It’s quite remarkable.

Betts: I would also go to **Illegality #11: Public Official Dereliction of Duty**. The same thing happens at the private level in the pension fund fraudulent inducement.

There is an example in Ohio-I’m from Cincinnati. There was a big scandal a few years back in the investment of Bureau of Workers’ Compensation funds for the State of Ohio. They invested the money in rare coins from a company that was owned by a major campaign contributor to the Republican Party in Ohio, whose name was Tom Noe. He was in ‘cahoots with a convicted felon. Nobody at the Bureau of Workers’ Compensation, who supposedly had the responsibility to

watch the money, were even aware that somebody involved in these investments of millions and millions of dollars was a felon. All you have to do is look up the name on some public website to find that out.

Similar things happened with the Thrift Savings Plan of the federal government. If you look at the balance of the sub-fund that is invested in government securities, you will see that the entire fund was invested in securities having 24-hour maturities.

They are getting long-term rates on daily maturing securities. You look at the balance over an 18-year period and it fluctuates from \$33 billion to \$200+ billion. You say, “Wait a minute. Where did the money go? How did a Thrift Savings Plan of government employees invested in Treasury securities fluctuate all over the place?”

Fitts: Dr. Skidmore has a great report on the Thrift Savings Plan that is up at <http://MissingMoney.Solari.com>. I think that BlackRock and the Exchange Stabilization Fund are probably using that money as a letter credit for what I call ‘the financial bazooka’. I explain some of that in *The State of Our Currency*. But to do that without disclosure to beneficiaries is absolutely a dereliction of duty.

I wanted to mention the one that most breaks my heart. It’s what happened during the COVID-19 restrictions where small businesses were basically destroyed.

In San Francisco, apparently, 49% of the small businesses have been destroyed. One estimate is that 60% of African American businesses were destroyed, whereas the companies that are publicly traded and make large amounts of contributions in a variety of ways were allowed to stay open and scarf up that market share. It was essentially a taking. It’s a taking that rolls into the state and local governments in a big way because you’re shutting down many of their taxpayers and employers. It has nothing to do with health; it has to do with economic warfare.

Betts: There are many people dying as a result of decisions like this. You can believe or not believe the figures, which I tend not to believe, of how many

people have died of COVID. But how many people have died of suicide, of COVID patients being transferred from a hospital into a nursing home, and perfectly healthy people in the nursing homes die? How many people have died from the vaccines, which are the so-called 'cure'?

It goes into health. Many things on this list involve people's health. We are a sick nation, and much of the sickness comes from government actions.

Fitts: I daresay that we have documented a significant number of places where the government is breaking the law or has broken the law. The question is always: "What is the most effective avenue to do something to turn things around?"

If you want to get good and mad about what the US government is doing, read **Section V, US Taxes: Illegalities and Waste.**

Betts: It's not only money; it's decisions about what goes into the food you eat.

Fitts: These are things that are destroying our society. They are destroying our health, they are destroying our finances, and they are destroying the respect for the rule of law. This is much bigger than just money.

I would point out one of my favorite stories, and I've told it many times. If you are a subscriber and you've heard it before, I apologize.

Carolyn, I saw you right after this happened. I went over to the Senate to meet with the Chief of Staff to the senator who ran the HUD Appropriations Subcommittee on the Appropriations Committee. This person looked at me and said, "What do you think is going on at HUD?"

I didn't know them. This was my first meeting with them. You know me, I was just trying to get our bill paid. I said, "I don't know. What do you think is going on at HUD?" This was when Andrew Cuomo was Secretary of HUD.

They looked me dead in the eye and said, "HUD is being run as a criminal enterprise."

The thing to understand is that HUD is run by the New York Fed and its member banks, the Department of the Treasury, the Department of Justice, and the big contractors at that time, which were Lockheed and DynCorp. It's a big financial operation. HUD can't be run as a criminal enterprise unless the contractors are proactively running it that way.

It had taken me years to come to that conclusion. But I looked at the Chief of Staff and said, "I don't disagree."

Betts: We talk about HUD a lot because we worked with HUD, but the significance of HUD is that, aside from the Department of Defense, HUD has more money under its control than any other federal government agency. HUD would be the largest insurance company on the planet if it were a private company. Someone – and you'll have to remind me who – referred to HUD as the 'candy store of covert operations.'

Fitts: That was one of the former ONI (Office of Naval Intelligence) financial fraud deal-doers. He said that was what Oliver North had said, which is attributed to Oliver North. He said that HUD was the candy store of covert revenues.

Based on what I cleaned up when I was Assistant Secretary, that is absolutely the case. If you listen to the *Kemp Tapes* (see, <https://home.solari.com/the-kemp-tapes/>), you will hear the stories. It was wild. They were pulling money left and right out of things that made absolutely no sense.

Betts: You can't prove it, but your experience – as I understand it – would lead one to conclude that there is a great deal of money laundering going through HUD.

Fitts: Absolutely. I was at a money-laundering conference in Miami. A friend was doing work for the FBI on money laundering. She got sick, so she asked me to take her ticket. I went, which was right after the Bank of New York had negotiated their settlement. It was clear from the presentations at the conference that they had 'gotten away with murder'. It was unbelievable.

They had a fair. In the fair, you could find software providers who were providing CD-ROMs with all of the money-laundering statutes in the country, and you could do searches and find all sorts of things about money-laundering compliance.

I went in and asked a question to an attorney from the Department of Justice and Treasury. She was at FinCEN, the US Financial Crimes Enforcement Network. I asked her a question about how they were doing compliance on government guaranteed securities, including mortgage securities. She said, "Not only do I not understand enough about the mortgage market to answer your question, but I don't understand enough about the mortgage market or the federal insurance programs to understand your question."

So, that prompted me to go to the providers. I asked them, "Who at Treasury or Department of Justice is responsible for making sure that there is no money laundering in the US mortgage programs, including mortgage insurance?"

The person spun this thing around. He went around and around, and then he said, "Oh, it's the Assistant Secretary of Housing at HUD."

I said, "That's interesting because I was the Assistant Secretary of Housing at HUD, and I had the General Counsel and all sorts of people brief me about my legal responsibilities, and I never once heard that I was responsible to prevent money laundering in US mortgage markets and US mortgage insurance programs. That is totally new news to me."

So, I have to tell you that there was no compliance.

Based on what I saw at HUD and, based on what I saw later in litigating with HUD, I think the amount of money that was being laundered through HUD and the HUD programs and the mortgage insurance programs at the US government was very, very significant.

Needless to say, I believe one of the reasons that the Department of Justice seized our offices and seized Community Wizard is that Community Wizard was about to show that the number of mortgages were many multiples of the number of houses.

Betts: Community Wizard was a GPS-based system that analyzed money flows from public and private sources on a census block basis. As I always said, “You can’t hide \$1 billion in a census block.”

Fitts: Right, but they tried. Do you remember when the San Bernardino defaulted portfolios were significantly greater than the value of real estate in San Bernardino? I’ll never forget that one; that is for another day.

Unproductive Uses of Tax Money.

We described this in the article, so we don’t need to go into it. Every time somebody says, “There is no money,” I shake my head because there are so many examples. I use the example that HUD was paying \$250,000 to create a unit of housing where \$50,000 would have done it, and it was intentional. I took that example to the person who was the assistant to the person running the program at HUD. I said, “Look, we could get five homes for the price of one.”

And she said, “But how would we generate fees for our friends?”

Betts: I think it was \$125,000 per person for the people who were getting contracts to manage resources at HUD. ‘Our friends’ were each earning upwards of \$100,000 a year.

Fitts: It was ironic because if we could have just given them money to go away while we ran the programs efficiently, it would have been better for everybody in terms of financial results. Needless to say, the food stamp program is another example. HUD housing, and many of these things are examples of wasteful spending.

I did an interview about three months ago with Alison McDowell. One of the most frightening things is, if you look at the current waste of money justified by “helping” the poor. It is bad, however, it is about to get much worse and much more expensive. It’s going to be much more invasive control of people, much more growing of poverty, and much bigger profits for the investors.

Right now, the pension funds are getting one percent to finance these games through investment in Treasury bonds. Private investors are now planning on equity returns on these big contracts with all sorts of fancy applications based on the block chain technology.

Let's turn to **Part VI**:

VI Take Action: Options and Issues.

Coming Clean.

Before we dive into some of the options, talk a bit about *Coming Clean*.

Betts: Regarding picking the accountants and attorneys, since that is a sector I've worked in, if you've been involved in creating slush funds for your clients, and your clients are some of these liable parties, how do you facilitate coming clean if you have potential liability? If you are an official at a state and local government and you have money invested in the 'too big to fail' banks, how do you take action against them when that is where your money is deposited?

There needs to be a process for people to walk over the line 'to the good side,' to the side of financial integrity.

Fitts: The other thing is that if you are going to clean the bad players out of the misuse of your tax money, you have to clean them out of your credit cards and your bank accounts.

The problem is that many state and local governments are operationally dependent on the same companies. Many of the companies that are complicit at the federal level – 'God knows' what they are doing at the state and local level-- they are deeply involved in the operations of the state and local governments. How can you litigate against them for their role in the federal government's operations when you are operationally dependent upon them at the state level?

Betts: That goes all the way down to the individual level of where people actually work and who their clients are.

Fitts: Because the tax system threads through everything, and the people doing this thread through everything, we have a very interdependent system. Before you take action, you have to think about the interdependencies and how you individually, or your organization, can come clean.

Let's turn to **Take Action's 'Options and Issues':**

Actions Related to Taxes.

There are direct actions that we can take related to taxes.

Claims Based on Common Law Right of Offset.

The first one, of course, is the one that you and I received a noble education about from the Department of Justice called the 'common law right of offset'.

Betts: We had a large \$20 million a year contract at a company that only had 35 employees. So, you can imagine. The government paid us on a monthly basis. They canceled our contract without any advanced notice and withheld the money that was supposed to be coming in on a monthly basis under our contract. There was a certain amount that we had already performed, so it was money that was in the pipeline. They cut off the payments in the pipeline saying, "Yes, but the mortgage portfolio that you managed could have earned more money than it did," even though the amount that was actually saved by the US government was in the billions of dollars as a result of our advice.

So, they applied the common law right of offset and said, "You owe us more than we owe you, so we're not paying you."

Fitts: I should mention the backdrop is that HUD had defaulted mortgages, and the industry standard at the time was 70%. When we started, HUD was getting recoveries on defaulted mortgages of 35%; half of the industry standard. We were able to take Hud's recovery rate to much higher than the industry standard. As a result, all the people making money out the back door stopped making money out the back door.

Part and parcel to this process was Andrew Cuomo, the Secretary, canceling our

efforts so that the money could start going out the back door again.

So, the government asserted a common law right of offset, and we ended up litigating that common law right of offset and learning plenty about it. Why don't you describe what a common law right of offset is?

Betts: Summarizing it: You owe me more than I owe you. Therefore, we are going to offset it, and we are going to cancel out the portion of your debt that is on the other side of the balance sheet.

Fitts: What we do in the article is go through some of the different options to assert a common law right of offset. So, if there is \$21 trillion missing, and that is \$65,000 per person, a group of people get together and start to take those actions related to asserting a common law right of offset of their tax debt against the \$65,000 per person missing.

Betts: A group of businessmen in Baltimore was getting very discouraged by the crime that was adversely affecting their businesses and the failure to enforce the law by the police and the failure to collect garbage, so they basically said, "We 'ain't' paying our taxes until the government does what it has to do." That is basically the same concept as a common law right of offset. They said, "We are offsetting what it would cost us to pay somebody else to do it."

They may have set up an escrow account, but I don't know. That comes in under the 'Use of Escrows' example. In the context of a landlord and a tenant, if the landlord doesn't provide you with a safe and clean apartment, you can deposit your rent money with the court so that you can't be held liable for not paying your rent debt, but the money doesn't actually go to the landlord until the landlord cleans up its act.

Fitts: Let's go to the second group of actions that you can take:

Private Actions in Court.

Of course, my favorite one is RICO (Racketeer Influenced Corrupt Organizations Act) because I think that we are absolutely looking at classic RICO in many situations, particularly where the government is breaking the law.

Betts: Any kind of conspiracy; it could be a conspiracy at the government level. Think about the student loan business where the Department of Education and the servicers of the student loans and the universities are all conspiring to indebt the young people without disclosing the risks and with false assurances as to the value of the education to be financed in terms of future earnings. There is a whole generation of people making money from the people who receive student loans based upon fraudulent inducement to enter into loans that cannot be repaid. As far as I'm concerned, that is a conspiracy.

Fitts: Right, but that was also fraudulent inducement. I always believe that anyone who took a mortgage out from 1996 until the Financial Crisis had been fraudulently induced and probably – as a legal matter – weren't fully liable for that mortgage. The financial institutions encouraged borrowers to take on more debt-and many of those people borrowing did not realize that so many jobs and businesses would be moved abroad.

Betts: And the federal government set up these programs through HUD to guarantee for the lenders so that they would make loans that were not backed by the underwriting of the particular borrowers. That contributed to the housing costs going way up and people getting involved in mortgages they couldn't afford.

Fitts: And then another way to go after the issue of shutting down so many small businesses on a pretext is tortious interference with business.

Betts: That is actually a common law action. The laws in the United States are based on English common law. It's the common law of how the courts interpreted what was acceptable and what wasn't. These interpretations ended up getting into court opinions, and that became common law. Tortious interference with business is a common law action that you can effectively take into court in every state in the union.

Fitts: One that I've been very interested in and spent a great deal of time going around in circles trying to write about when we wrote *Caveat Emptor* and some of the briefing papers is the violations under SEC Rule 10b-5.

The government's banker is the New York Fed, owned by its members, and many of the services provided by the members. So, the government bank accounts are through the members. These members are also the primary dealers, and they are selling securities, but are not mentioning that with their other banking hat, they are participating in the disappearance of \$21 trillion while they are selling the government securities to the pension funds. I believe this is a material omission under Rule 10b-5; this is a failure to disclose.

Betts: 10b-5 is under the Securities Exchange Act of 1934. It's a fraud action, but it is statutory. There are common law fraud actions, and then there is 10b-5, which you can bring in whenever there is a purchase or sale of a security based on a failure to disclose matters that the investor would have considered in determining whether to invest in the security or a falsehood that has the same effect.

Fitts: I would love to see a group of state and local pension funds look to see, under 10b-5, what their right of action is against the New York Fed member banks as the primary dealers. They run the bank accounts, and they knew that the money was disappearing.

Betts: When you say 'primary dealers,' you are talking about primary dealers in Treasury securities, correct?

Fitts: Yes. Is there anything else before we go on?

Betts: I could talk for hours.

Fitts: You and I both, and we have. We've spent years talking these through.

Other Legal or Political Actions.

I want to say that I think the most effective actions are when you are taking action legally, in the media and politically – all at the same time. It's the combination that really gets effective where we've seen it before.

There are many ideas, and we cover them all in the article. Why don't you pick out a few that are close to your heart and tell us a little about them?

Betts: The ‘new media prison’ is what we did when we wanted to expose the wrongdoing and the connections between what, in one case, was Stanley Sporkin and, in another case, was someone who was on the board of Enron and the Harvard Endowment. We posted all sorts of research that we did and asked whoever was hosting it on the internet to put in the bells and whistles of secret orders about how things are done on the internet with metadata so that when people went in and searched for specific search words, they would come across the articles that we had posted.

In particular, the idea was that members of the independent media and other people who had some power or interest in a specific issue would find our post when conducting a search. In one case, it was the law students at Harvard involved in the piece that we did about Pug Winokur. Those people can go in and save a considerable amount of time by seeing what our research is. That’s a very powerful tool.

The other one that I like a great deal is ‘shunning’. The opposite of that is making fun of people, another effective tactic.

We cited a particular series of essays about Donald Trump where a liberal, although I hate the terms ‘liberal’ and ‘conservative’, was making fun of articles and sayings and actions taken by Donald Trump, but it could be anybody. They make fun of the lies or the inconsistencies in positions and things like that.

Something that is more powerful, in many cases, than an article about what somebody has done wrong is to make fun of them. *Saturday Night Live* makes the national headlines when they make fun of somebody, be it Janet Yellen or Nancy Pelosi or whoever it is. That is very effective in getting people’s attention.

Fitts: I’ve seen activists get rid of people in different positions simply by turning them into a laughingstock.

Betts: Another weapon is something I learned about in using the Ohio Rules of Civil Procedure. Most of the rules in civil procedure from state to state are very similar as well as at the federal level. What you can do, even if you don’t have an active lawsuit, is to use the same discovery provisions you use when you

go to trial. In a lawsuit, before trial, you can demand that the defendant or whoever is on the other side produce information.

The civil rules also allow you to do that if you are merely contemplating an action, and you need to find out information in order to file a lawsuit. There is an entire procedure for effectively doing a FOIA request in the private market and getting key documents.

Fitts: Private parties can engage in fishing expeditions, too, not only the government.

One that I love is the fact that states have the power to ‘DK’, as we used to call it at the federal level, a corporation or contractor. If you are misbehaving, you can have your authority to act in that state pulled.

Betts: Yes, you can lose your ability to use a trade name, which is something filed with the Secretary of State, and your ability to transact business as a foreign company in a state that you’re not formed in. In the state where your corporation or LLC is formed, the Secretary of State can say, “You can’t come into this state and do business.”

Fitts: Imagine if a bank or company is acting in criminal ways. Your Secretary of State can pull their standing. Unfortunately, I think we are going to see this happening to companies that are good companies.

Betts: These tools can be used against good people.

Fitts: Absolutely. There are many different legal and political actions that can be taken. Especially when you organize them together, they have a very strong effect.

We litigated for almost eleven years. We started with twelve tracks of litigation- 18 audits and investigations- and I daresay that one of the things we saw when we provided incredible transparency – including documents we got from FOIA and made available to the news media –was that dramatic things could happen.

Betts: The other thing that is very powerful is to decide that you are not going

to enter into contracts as a state, as a city, or as a county with companies that have been convicted or found liable and fined for wrongdoing. This is a pattern that is often found under the securities laws where you can't get a license to sell a security if you are subject to what they call the 'bad boy provisions', which means that you have been involved in defaulting on something, declaring bankruptcy, or some sort of financial wrongdoing. You probably cannot, for life, ever have a license to sell securities.

You can do the same thing with culpable corporations who want to have contracts with a state or federal government or a local government.

Fitts: We helped Congresswoman Cynthia McKinney do this. When Kelly O'Meara had published her big article about sex slave trafficking by employees of DynCorp, the Deputy Secretary of State issued a private letter saying that it would be wrong to penalize a company just because of the errant behavior of a variety of different employees, including one that was the GTR (Government Technical Representative).

We are back to immunity. Apparently, some contractors are free to function above the law. There is a very famous video where Congresswoman McKinney nails Rumsfeld in his testimony about how that happened.

After Kelly wrote that article about sex slave trafficking, DynCorp employees were prosecuted for sex slave trafficking. If I remember correctly, one of them was the GTR on the contract.

We sent that article to the head of contracting in the appropriate area in 20 agencies. The next week, DynCorp got two huge contracts – one from the Navy, and one from the State Department. That just goes to show you they're above the law.

Betts: Well, all they did was engage in sex slave trafficking and use waitresses to fix military helicopters.

Fitts: I used to be a waitress.

Betts: But you didn't try to fix military helicopters.

Fitts: It's true. I've tried many things, but I've never tried to fix a military helicopter.

Actions Related to Criminal Violations.

One of the things we added was the fact that we are looking at serious criminal violations in many different functions related to murder, genocide, extortion, blackmail, bribery, theft, slush funds, and election fraud. I don't see how you clean this up without some willingness on the part of district attorneys or AGs somewhere to enforce the law.

We constantly hear, "We need a new law." We don't need a new law, we have plenty of laws; we need to enforce the laws we have. The number of criminal violations is incredible.

I don't know if you saw that Robert Kennedy put out a comment saying that the Kennedy assassination files should be released. Once again, they have delayed their release. Since we are speaking of criminal violations, I think that many things changed in America when the establishment was able to organize and kill the President in broad daylight.

Betts: That was the beginning of the coup d'état. Although Eisenhower did mention many of the problems. Reading Eisenhower's speeches is very illuminating as far as the dangers of the military-industrial complex goes and using federal contractors to do essential government functions.

Fitts: That is the problem with the reserve currency. Whether through the Treasury market or the central bank, you have a variety of mechanisms to create as much money as you want. How do you police that? How do you manage that?

One of the mistakes that was made early on by Truman and Eisenhower was effectively turning the intelligence agencies into the most powerful bankers in the world. Then the system ran out of control.

Structural Changes.

We mentioned several here. One is that the Treasury can issue money directly. Of course, many things can be done so that state and local governments or businesspeople in a place can do things with local equity and local currency.

Another one that you and I spent plenty of time on is returning prisons to government control. I have an online book about that, *Dillon Read & Co. Inc. and the Aristocracy of Stock Profits*.

Another is the elimination of private armies. I think that the development of private intelligence agencies and private armies is exceptionally dangerous. It's one of the things stripping government of its sovereignty and giving private corporations and banks the ability to really coerce and force many people to do things they might not normally do.

We have private players who are violent, and they are getting their way as a result.

Any other thoughts on the Actions Related to Taxes?

Betts: I don't know if this answers your question but the thing that strikes me is the ability to imagine the evil that is going on. One of the things that people stumble over in understanding how all of this works is they can't imagine that people whom they know or people they see in the media would actually knowingly take actions that kill people or that result in \$21 trillion missing from the US government.

The ability to understand that these things are happening is critical. Divorce yourself from the personal feeling that, "Isn't Tim Geithner a nice guy," or, "Isn't Janet Yellen a nice gal," or whatever. This is not a partisan issue. Whether you are a Democrat or a Republican or an Independent or a Progressive or whatever label you want to give yourself, this is not a partisan issue.

Fitts: I would say the hard part about facing what we do about taxes is that it requires we face that the corruption is very broad and very deep. This is not a few oligarchs at the top; this is very broad and very deep. It's been evolving this way for a long, long time. The financial dependency of this system on crime and

corruption and warfare is very significant.

Betts: Read about the “Red Button” story on *The Solari Report*. We’re all part of it. Who’s doing this? We are doing this.

Fitts: We are doing this. There are so many different things that we need to change and we can change, the hardest of which is taxes. We’re saving the best for last.

One of the things that we mentioned under “Actions Related to Taxes” is enforcing the current system as it is protected by covert operations.

Covert Control and Operations.

If you turn things around, you have to be willing to deal with deep state tactics. Covert operations are real, and anybody who brings change has to understand them and be prepared to manage and deal with them.

Betts: I probably shouldn’t say this, but this is becoming important enough that it’s worth risking your SUV and your nice house over. You and I both lost an enormous amount as well as very profitable careers. Understandably, people want to have what they have and provide it for their families, but at some point, it becomes insidious enough that it’s worth risking a lot to change it.

Fitts: We don’t want to live in a world where there is no law, and that is where we are going. If you look at what is being planned with CBDCs and vaccine passports, they are moving us into a slavery system with very significant amounts of mind control and very gruesome, ugly stuff. The criminals will have free rein if we don’t do something. So, we want to do something.

VII Next Steps.

VIII Conclusion.

What Carolyn and I have tried to provide here is not an answer; we are trying to tee up the fact that if we are going to turn this around, we have to deal with taxes; we can’t ignore the problem. We have to figure out a way to move

forward.

The challenge for anyone listening or reading this is that it's not the kind of moving forward that you can do alone; it's going to require organization and will require a critical mass of people willing to participate and contribute – whether intellectually or financially or in terms of time and effort.

I think that step one is to start a conversation. You can listen to this audio and video, and you can read the transcript. You can go to <http://OurMoney.Solari.com> and read "*U.S. Taxation: With or Without Representation?*." Share it with your friends. We will make it public from the beginning so you can share this broadly; it's not only for subscribers. Our subscribers are going to need nonsubscribers to help them to do this if this is going to succeed. So, we will make it public.

I would say you should start to understand the scope of the issue; start to learn about it and understand why it's important. Then start the conversation with the people around you who are interested and willing to engage in the conversation because we are going to have to do something. Depending on who you are and where you are, it will be different; it will be different in Oklahoma than Brooklyn; it will be different in Oregon than Louisiana.

There are many, many pathways to turn this around, but it all starts with a conversation, including with your neighbors. The day is coming when you won't be able to pay your taxes and afford food for your kids. The squeeze is on.

What do you think the next steps are?

Betts: I think that each one of us has gifts. Some people's gifts are engineering, some people's gifts are writing, and some people's gifts are spiritual. I think that understanding one's gifts and getting together with neighbors and friends and the network of people who are trustworthy and applying those gifts as a group to have a groupthink to determine how you can start is important. If it's in Columbia Township, then do it in Columbia Township and then graduate to higher levels.

The determination to invest what we can and apply the gifts that we have

toward understanding what is going on is the next step.

Fitts: I should mention that we brought up <http://Connect.Solari.com>, which is an open source social media platform where people can join and start to find groups in their area. We have 30 groups on 3 continents, and they are growing quickly.

We were prototyping it, and now we are starting to open it up to membership. If you come to *Solari Report* and do a search for “Connect” or “Solari Circles” you can find it. We have a *Wrap Up* coming out. The PDF is up and the website is up, but the hard copy is being mailed next week. It’s on *Take Action* and it includes your article on how to do a Solari circle, “Solari Circles—Take Action Together.”

I think the challenges that we face in our financial lives and our health, much can be achieved by meeting with and organizing with like-minded people, and then seeing what you can do together.

Betts: As a group, you can protect each other. You can have the courage to take positions if you have a group of people who are going to support you.

Fitts: One of my favorite authors is Andrew Vachss. He says, “Your family are the people who don’t turn you in. You need to find your family.”

Carolyn, I always tell people to get yourself a good CPA and a good attorney. One of the smartest things I ever did was turn to you in 1997 and say, “Do you want to be the general counsel?”

I’m very grateful for your help. We’ve been saying for many years that we had to write a piece on taxation, and now we’ve done it.

We hope you enjoy it, and we hope that you join us in this discussion of how we are going to turn around the taxes. I have to ask you again if you’ve watched *Yellowstone* yet.

Betts: No, I haven’t.

Fitts: *Yellowstone* is a TV series with Kevin Costner. The bad guys are the Beck brothers. The Beck brothers do all sorts of dirty tricks. They kidnap your kids, poison your cattle, and hire mercenaries who assassinate some of your employees.

Finally, the Dutton family decides they are going to have to get rid of the Beck brothers. One of the family members corners a Beck brother in the toilet. He asks, “Why do you make us do this?”

The Beck brother looks at him and says, “Because nobody ever fights back.”

The family member says, “We do.”

It’s a great line at the end of the second season. I said in January 2020 that one of my most prescient predictions was, “The question before us in 2020 is: What are we going to do about the Beck brothers?” That is what we are saying now. What are we going to do about the folks who are lawless? We are going to have to do something. The middle of the road has gone away.

With that, Carolyn, thank you for joining me on *The Solari Report*. As I always say at the end of most *Solari Reports*, “Don’t worry about whether there is a conspiracy. If you’re not in one, you need to start one.”

Ladies and gentlemen, good night and good luck. Carolyn, again, thank you.

Betts: Thank you.

MODIFICATION

Transcripts are not always verbatim. Modifications are sometimes made to improve clarity, usefulness and readability, while staying true to the original intent.

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Nothing on The Solari Report should be taken as individual investment advice. Anyone seeking investment advice for his or her personal financial situation is advised to seek out a qualified advisor or advisors and provide as much information as possible to the advisor in order that such advisor can take into account all relevant circumstances, objectives, and risks before rendering an opinion as to the appropriate investment strategy.