Opinion: Wall Street abuses cannot continue

By Phil Angelides

Money laundering. Price fixing. Bid rigging. Securities fraud. Talking about the mob? No, unfortunately. Wall Street.

These days, the business sections of newspapers read like rap sheets. GE Capital, JPMorgan Chase, UBS, Wells Fargo and Bank of America tied to a bid-rigging scheme to bilk cities and towns out of interest earnings. ING Direct, HSBC and Standard Chartered Bank facing charges of money laundering. Barclays caught manipulating a key interest rate, costing savers and investors dearly, with a raft of other big banks also under investigation. Not to speak of the unprecedented wrongdoing that precipitated the financial crisis of 2008.

Evidence gathered by the Financial Crisis Inquiry Commission clearly demonstrated that the financial crisis was avoidable and due, in no small part, to recklessness and ethical breaches on Wall Street. Yet, it’s clear that the unrepentant and the unreformed are still all too present within our banking system.

A June survey of 500 senior financial services executives in the United States and Britain turned up stunning results. Some 24 percent said that they believed that financial services professionals may need to engage in illegal or unethical conduct to succeed, 26 percent said that they had observed or had firsthand knowledge of wrongdoing in the workplace, and 16 percent said they would engage in insider trading if they could get away with it.

That too much of Wall Street remains unchanged is not surprising. Simply stated, the banks and their leaders have paid no real economic, legal or political price for their wrongdoing and thus have not felt compelled to change.

Phil Angelides, former state treasurer of California, was the chairman of the Financial Crisis Inquiry Commission, which conducted the nation’s official inquiry into the financial crisis.

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