

A Bank Regulator Provides a Frightening Look at the Trading Casino Jamie Dimon Has Built Inside His Federally-Insured Bank

By [Pam Martens and Russ Martens](#): October 7, 2024 ~

On September 24, the Office of the Comptroller of the Currency (OCC) released its [Quarterly Report on Bank Trading and Derivatives Activities](#) for the second quarter of this year. The OCC is the federal regulator of banks that operate across state lines, which are known as “national banks.”

The shorthand for this report should be the “Casino Report.” Increasingly, the report showcases how much dangerous trading activity the brokerage firms on Wall Street have been able to muscle into their federally-insured banking units where the deposits of millions of average Americans reside. Since the repeal of the Glass-Steagall Act in 1999 under the Bill Clinton administration, Wall Street trading firms have been allowed to combine with federally-insured banks – [creating an endless series of crises and bailouts](#).



Jamie Dimon Sits in Front of Trading Monitor in his Office (Source: 60 Minutes Interview, November 10, 2019)

No bank has been able to blur the lines between a trading casino and a federally-insured bank more aggressively than JPMorgan Chase – and get away with it under the nose of its federal bank regulators. (See Related Articles below.) Almost all of this transformation has occurred with Jamie Dimon sitting at the helm of the bank as Chairman and CEO.

According to the FDIC, as of June 30 there were [a total of 4,539 federally-insured commercial banks and savings associations](#) in the U.S. According to Table 19 located in the Appendix of the current OCC report (see partial section below), all commercial banks and savings associations in the U.S. which held derivatives as of June 30, 2024 had trading revenues totaling \$15.848 billion. Of that sum, JPMorgan Chase Bank NA represented \$6.9 billion or 44 percent.

Trading Revenues From Cash Instruments and Derivatives				
Top Four Commercial Banks, Savings Associations, and Trust Companies in Derivatives, in Millions of Dollars				
Revenue Figures Are for the Second Quarter of 2024, Not Year-to-Date				
Bank name	Total assets	Total derivatives	Total trading revenues from cash & off-balance sheet positions	Trading revenue from equity positions
JPMORGAN CHASE BANK NA	\$3,510,536	\$56,180,782	6,919	3,520
GOLDMAN SACHS BANK USA	543,888	54,926,248	1,663	351
CITIBANK NATIONAL ASSN	1,678,936	50,638,038	3,022	569
BANK OF AMERICA NA	2,550,584	21,622,575	1,844	489
Top four commercial banks, SAs & TCs with derivatives	\$8,283,944	\$183,367,643	13,448	4,929
Other commercial banks, SAs & TCs with derivatives	13,177,088	24,730,060	2,400	582
Total all commercial banks, SAs & TCs with derivatives	21,461,032	208,097,703	15,848	5,511

Even more striking, JPMorgan Chase Bank’s equity trading revenues (stock trading) inside its federally-insured bank came in at \$3.5 billion of the total \$5.5 billion in stock trading at all banks and savings associations, or a whopping 64 percent of the total.

The Securities and Exchange Commission (SEC), whose job it is to provide regulatory oversight of stock trading in the U.S., is not allowed to peek inside federally-insured banks to see what is going on with stock trading. This appears to be a feature, not a bug, of the megabanks’ refashioning of the landscape of Wall Street.

Of equal concern, as we reported recently, federally-insured banks are not allowed to employ licensed traders. According to the Wall Street self-regulator, FINRA, only broker-dealers are allowed to employ licensed traders and only licensed supervisors are allowed to oversee this trading. (For what happens when trader licensing rules are subverted, see our report: [Jamie Dimon’s Top Women and Their Missing Licenses.](#))

JPMorgan Chase Bank NA also appears to have a stranglehold on trading gold and silver contracts inside its bank. Table 21 in the latest OCC report shows that all commercial banks, savings associations and trust companies with derivatives account for \$483 billion in precious metals contracts. Of that sum, JPMorgan Chase Bank NA holds \$281.7 billion, or 58 percent.

Notional Amounts of Derivative Contracts by Contract Type and Maturity (Precious Metals)
Top Four Commercial Banks, Savings Associations, and Trust Companies in Derivatives
Millions of Dollars, June 30, 2024

Bank name	Precious metals maturity < 1 year	Precious metals maturity 1-5 years	Precious metals maturity > 5 years	Precious metals: all maturities
JPMORGAN CHASE BANK NA	\$256,948	\$24,783	\$13	\$281,744
GOLDMAN SACHS BANK USA	201	21	0	222
CITIBANK NATIONAL ASSN	113,041	6,874	0	119,915
BANK OF AMERICA NA	63,744	7,790	0	71,534
Top four commercial banks, SAs & TCs with derivatives	\$433,934	\$39,468	\$13	\$473,415
Other commercial banks, SAs & TCs with derivatives	9,237	820	0	10,057
Total all commercial banks, SAs & TCs with derivatives	443,171	40,288	13	483,472

Source: Office of the Comptroller of the Currency, Using Call Reports

That concentration of activity by one bank in precious metals is being tolerated by federal regulators despite the fact that [the U.S. Justice Department criminally charged JPMorgan Chase](#) just four years ago with engaging in “tens of thousands of episodes of unlawful trading in the markets for precious metals futures contracts....” The bank admitted to the charges.

According to the Justice Department, the rigging occurred for more than eight years, from March of 2008 to August of 2016. The Justice Department wrote that traders at JPMorgan Chase:

“...knowingly and intentionally placed orders to buy and sell precious metals futures contracts with the intent to cancel those orders before execution (‘Deceptive PM [Precious Metals] Orders’), including in an attempt to profit by deceiving other market participants through false and fraudulent pretenses and representations concerning the existence of genuine supply and demand for precious metals futures contracts. By placing Deceptive PM Orders, the Subject PM Traders intended to inject false and misleading information about the genuine supply and demand for precious metals futures contracts into the markets, and to deceive other participants in those markets into believing something untrue, namely that the visible order book accurately reflected market-based forces of supply and demand. This false and misleading information was intended to, and at times did, trick other market participants, including competitor financial institutions and proprietary traders, into reacting to the apparent change and imbalance in supply and demand by buying and selling precious metals futures contracts at quantities, prices, and times that they otherwise likely would not have traded.”