

Naming Names: Professor Exposes the Banking Cartel that Has Hijacked U.S. Democracy

By [Pam Martens and Russ Martens](#): January 23, 2024 ~

Gerald Epstein is Professor of Economics and a Founding Co-Director of the Political Economy Research Institute (PERI) at the University of Massachusetts, Amherst. A book he has spent the past decade researching and writing comes out today from the University of California Press: [Busting the Bankers' Club: Finance for the Rest of Us](#).

Anticipation of this book's release has caused some sweaty brows in the halls of Congress, on Wall Street, at Big Law, and in the economics community. That's because Epstein is naming names – the names of the people who have sold out American democracy and the public interest by becoming sycophants for, or actual members of, the Bankers' Club.

The Chairman of the Bankers' Club is the Federal Reserve, writes Epstein. That's because the Fed has strongarmed its way to becoming both the supervisor of the Wall Street mega banks while also being able to create money at the flip of an electronic switch, which it uses to funnel trillions of dollars in cheap loans to bail out the mega banks behind a dark curtain. Alan Greenspan's unprecedented 19-year reign as Fed Chair laid the foundation for this power grab while his successor, Ben Bernanke, enshrined the concept of regulator-turned-bailout-kingpin during the 2007 to 2009 financial crisis, ([funneling \\$29 trillion in largesse](#) to prop up a financial structure that had collapsed under the weight of its own corruption).



Gerald Epstein, Author, Busting the Bankers' Club: Finance for the Rest of Us. Photo Credit, Stan Sherer

The unprecedented power of the Bankers' Club is underscored by the reality that after the worst financial collapse in 2008 among Wall Street firms since the Great Depression, the legislation passed to remedy the corruption, excesses, and abuses (the Dodd-Frank Act of 2010) was little more than a draft, left to compromised regulators to fashion into final rules. Epstein describes how Citigroup, with help from pals in the Bankers' Club, gutted a key part of the legislation meant to rein in derivative abuses. (For more on this sleazy episode, read our report: [Meet the Two Congressmen Who Facilitated Today's Derivatives Nightmare at Wall Street's Mega Banks](#).)

Other key members of the Bankers' Club according to Epstein are the politicians (particularly on key committees in Congress) who have sold out to the Bankers' Club in exchange for funding of their political campaigns; bank regulators who have one foot on government soil and the other foot heading toward the revolving door and a much bigger paycheck; Wall Street's outside lawyers from Big Law who sneak language favoring the Bankers' Club into legislation; a swarm of dozens of lobbying groups working on behalf of Wall Street banks in the corridors and offices of Congress; and even members of his own profession – economists – who promote

unsound ideas purporting to show that Wall Street mega banks serve the interests of the public and that more regulation is inefficient and negatively impacts economic growth.

In each of the categories above, Epstein names names. A member of Big Law, the Senior Chair of Sullivan & Cromwell, [H. Rodgin \(Rodge\) Cohen](#), makes the following appearance in *Busting the Bankers' Club*:

“...The dean of Wall Street lawyers, H. Rodgin Cohen, chair of the Wall Street firm Sullivan & Cromwell, had his hand in virtually all the key legal and enforcement actions promoting financial deregulation during this period. The work of these lawyers dovetailed with the lawyers and economists who developed the field of ‘law and economics,’ which, in a powerful alliance with the economists I mentioned earlier, provided a theoretical legal-economic basis for deregulation and a less interventionist state....”

Opposing this conspiratorial Bankers’ Club is a talented, creative army of good guys, whom Epstein calls the “Club Busters.” High on Epstein’s list for accolades are the nonprofit watchdogs, [Better Markets](#), [Americans for Financial Reform](#), and the public banking advocacy groups across the country.

While these groups deserve the accolades, along with the other groups and individuals mentioned by Epstein, there are two critical impediments preventing the Club Busters (including *Wall Street On Parade*) from achieving a serious victory in rolling back the power of the Bankers’ Club and genuinely reforming Wall Street.

Those critical impediments are the repeal of the Glass-Steagall Act in 1999 and the Supreme Court’s *Citizens United* decision in 2010.

The repeal of the Glass-Steagall Act (Banking Act of 1933) allowed Wall Street’s trading houses to control the trillions of dollars of life savings of mom and pop depositors. The repeal meant that global trading behemoths like JPMorgan were allowed to merge with federally-insured banks, back-stopped and thus subsidized by the U.S. taxpayer.

Today, JPMorgan owns more than 5,000 Chase Bank branches spread from coast to coast across America, accepting federally-insured deposits from average Americans, who have no idea that their money is being used to [corrupt foreign officials](#); [rig markets](#); and [prop up Ponzi schemes](#). To be more precise, the repeal of the Glass-Steagall Act is allowing Wall Street casinos to corrupt everything that Americans hold dear while using Americans’ own life savings to do it.

The underfunded nonprofit watchdogs that make up the Club Busters’ simply can’t compete against this vast arsenal of weaponized deposits.

Likewise, the Supreme Court’s *Citizens’ United* decision, and its progeny, opened the floodgates to corporate money’s ability to control U.S. elections. The U.S. is no longer a representative government of the people; it is, to an unprecedented degree, representative of corporate interests, the source of the money required to get into high public office.

Until Americans understand clearly that Glass-Steagall must be restored and *Citizens United* must be overturned, we’re all just pesky little bull dogs nipping at the heels of the bankster class.