

**From:** PardnerInCrime@aol.com  
**Sent:** Sunday, February 21, 2010 9:38 PM  
**To:** secretary <secretary@CFTC.gov>; Chilton, Bart <BChilton@CFTC.gov>; Gensler, Gary <GGensler@CFTC.gov>  
**Subject:** Proposed Federal Speculative Position Limits for Referenced Energy Contracts

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Dear Secretary, Commissioner, and Chairman:

Below is a very disturbing piece wherein it states that the CFTC admits hiding information exposing market manipulation.

On behalf of myself and other American Citizens not named here but in general, I'd like this email and its forward to be incorporated into whatever minutes or pre-hearing documentation that will be used in your March meeting you advised would be held regarding market shorts, including the silver precious metal suppression question.

I'm thoroughly appalled and disenchanted by this information. I'd like to know, personally, HOW this happened, by whom, why and where the original orders came from to do this manipulation. The fleecing of America has got to stop.

Please get the necessary power to get the silver market manipulation shorts, etc., RESOLVED, and clarified so the public may KNOW where their money is, and have this information published fairly, honestly and clearly for the American citizens to understand what is going on.

Thank you for your continued efforts. I'd like it if someone would acknowledge receipt of this email and give me any comments that could offer me some sort of solace regarding this abomination. As always, God bless.

Respectfully,  
Donna Badach  
Hillsboro Beach, FL  
954-571-6799

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Fwd: [GATA] Adrian Douglas: CFTC admits hiding info exposing market manipulat.From: gata@lists.gata.org  
To: dispatch@lists.gata.org  
Sent: 2/20/10 4:41:07 P.M. Eastern Standard Time  
Subj: [GATA] Adrian Douglas: CFTC admits hiding info exposing market manipulation

<http://www.gata.org/>

## **Adrian Douglas: CFTC admits hiding info exposing market manipulation**

Submitted by cpowell on 01:39PM ET Saturday, February 20, 2010. Section: [Daily Dispatches](#)

By Adrian Douglas  
Saturday, February 20, 2010

Recently while reviewing the bank participation reports (BPR) released each month by the U.S. Commodity Futures Trading commission I noticed that, since November 2009, in silver and in some other commodities the CFTC has stopped listing the number of banks that hold positions.

So GATA sent an inquiry to the CFTC as to why this data was now being omitted. We got the following response dated February 19:

"Commissioner Chilton asked that I look into your issue regarding the CFTC Bank Participation Report (the BPR). Specifically, you noticed that beginning with the December 2009 BPR the CFTC has not included a breakdown of the participating banks in the silver futures, although the breakdown is provided for gold. You had inquired as to why the information has changed.

"Beginning with the December 2009 BPR, the CFTC began suppressing the trader count in some markets. The change

became effective with the December 2009 BPR because it was the next available report to be published following the commission's November 2009 decision to implement the change.

"The decision to suppress the trader counts was made as part of an ongoing review of the methodology of the BPR. As part of that review, the commission determined that where the number of banks in each reporting category is particularly small, fewer than four banks, there exists the potential to extrapolate both the identity of individual banks and the bank's positions. Under section 8(a) of the Commodity Exchange Act, the commission, among other things, is generally prohibited from publishing data and information that would separately disclose the business transactions or market positions of any person/entity.

"Accordingly, in order to protect the confidentiality of market participants' positions, the commission determined to suppress the individual category breakdown when that number is less than four.

"An explanation of this determination appears in the Explanatory Notes section of the BPR as it appears on the CFTC Website, [www.cftc.gov](http://www.cftc.gov). I have cut and pasted the language below for your convenience.

"The Explanatory Notes appear at:

[http://www.cftc.gov/marketreports/bankparticipation/bankparticipation\\_ab...](http://www.cftc.gov/marketreports/bankparticipation/bankparticipation_ab...)

"Notably, these Explanatory Notes were posted on November 30, 2009, prior to the release of the amended BPR.

"I took a look at the January 2010 BPR and noted that the change has affected the reporting on several commodities, including soybeans, wheat, corn, heating oil, natural gas, etc., such that silver has not been treated in a manner inconsistent with the report structure.

"I hope this explanation is helpful. Please do not hesitate to contact me if you have any further questions.

"Regards,

"Laura Gardy

"Legal Assistant to Commissioner Bart Chilton"

In March 2009 I wrote an article entitled "Pirates of the COMEX." (See <http://www.gata.org/node/7307>.) In this article I showed how the two largest short positions on the New York Commodity Exchange, which reached an outrageously manipulative extreme of 100 percent of the commercial net short position, must be held by JPMorgan Chase and HSBC. I did this by comparing data from the CFTC with the bank derivatives report of the U.S. Office of the Comptroller of the Currency (OCC). This article was sent to the CFTC.

The CFTC has been posting the monthly bank participation report for more than 10 years. Under a strict interpretation of the law that prohibits the CFTC from "publishing data and information that would separately disclose the business transactions or market positions of any person/entity," giving the number of contracts held long and short and the number of banks holding the positions does not "separately disclose the business transactions or market positions of any person/entity." The CFTC now claims that the identity of traders and their holdings could be "extrapolated." But if "extrapolation" is required, then the CFTC has not "disclosed" the information. Extrapolation is, at best, an inference, not a disclosure.

The new reporting protocol of the CFTC concerning the bank participation reports is stated on the commission's Internet site as "the BPR includes data for every market where five or more banks hold reportable positions."

If one looks at the latest COT report, there are plenty of examples of categories where there are only four traders holding positions. For example, in Random Length Lumber 4 traders hold all the long positions in the swap trader category, and in Platinum 4 traders hold all the spread positions in the managed money category.

So not only has the CFTC gone out of its way to interpret "extrapolation" of data to infer traders' positions and identities as equivalent to actual "disclosure," but the commission has not afforded the same level of anonymity to any other trader by eliminating the trader count if it is less than five.

What has made it possible to "extrapolate" and infer that the two biggest shorts of gold and silver on the Comex are JPMorgan Chase and HSBC is their outrageously manipulative positions in the largely unregulated OTC derivatives market, where they are not afforded anonymity because they must report their positions to the OCC, which publishes their holdings and names. In the latest report JPMorgan Chase and HSBC hold more than 95 percent of the gold and precious metals derivatives of all U.S. banks, with a combined notional value of \$109 billion.

The latest OCC Quarterly Report on Bank Derivatives Activities shows that the total notional value of all types of derivatives held by all U.S. banks is \$204 trillion. The report shows that just five U.S. banks own 97 percent of them. They are JPMorgan Chase, Goldman Sachs, Bank of America, Citi, and Wells Fargo, with HSBC in sixth place.

If the U.S. government has a budget of \$3.8 trillion and supposedly governs a \$10 trillion economy, yet five commercial banks control \$198 trillion of derivatives, who do you think really runs the country?

This is what the OCC says about the derivative holdings of these banks:

"A total of 1,065 insured U.S. commercial banks reported derivatives activities at the end of the third quarter, a decrease of 45 banks from the prior quarter. Nonetheless, derivatives activity in the U.S. banking system continues to be dominated by a

small group of large financial institutions. Five large commercial banks represent 97 percent of the total banking industry notional amounts and 88 percent of industry net current credit exposure.

"While market or product concentrations are normally a concern for bank supervisors, there are three important mitigating factors with respect to derivatives activities. First, there are a number of other providers of derivatives products whose activity is not reflected in the data in this report. Second, because the highly specialized business of structuring, trading, and managing derivatives transactions requires sophisticated tools and expertise, derivatives activity is concentrated in those institutions that have the resources needed to be able to operate this business in a safe and sound manner. Third, the OCC and other supervisors have examiners on-site at the largest banks to continuously evaluate the credit, market, operation, reputation, and compliance risks of derivatives activities."

None of the three mitigating factors cited by the OCC accurately describe the problem with regulating these banks. The real mitigating factor is that these banks are more powerful than the government. They have the power to destroy the global financial system quicker than any nuclear conflict could. And there is no non-proliferation treaty for derivatives.

After my March 2009 article identifying the massive short sellers of gold and silver, the CFTC has become farcical. It now is issuing bank participation report that omit bank participation information.

In November 2009 JPMorgan Chase and HSBC held 43 percent of the commercial net short position in gold and 68 percent of the commercial net short position in silver. But the makeup of these positions highlights the manipulation. In gold they were short 123,331 contracts but long only 523 contracts and in silver short 41,318 contracts and long only 1,426 contracts. How could such one-sided bets be made unless the outcome was certain? These are obviously not positions for customers because it is so improbable that these two banks attract only investors who want to sell short.

It is clear that the generous interpretation of "disclosure" afforded to the biggest shorts in the precious metals, which is not necessary nor is it afforded to others, is evidence that the CFTC is aiding and abetting the manipulation of the precious metals markets and not preventing it, as is the commission's mandate.

The CFTC has been investigating possible market manipulation in gold and silver for a year and a half. Yet the CFTC has just facilitated the anonymity of the banks that GATA has long implicated in the suppression of gold and silver prices.

What is taking the CFTC so long to investigate? Is the time being spent on exposing manipulation or on finding new ways to cover it up?

JPMorgan Chase and HSBC are running a bucket shop. Very little metal is ever delivered on the Comex, so that market can be manipulated by anyone with large positions and deep pockets. JPMorgan Chase and HSBC qualify on both counts. This then allows them to make billions of dollars in the precious metal and gold OTC derivatives market, which is much bigger than the Comex.

HSBC is the custodian of the gold in the GLD exchange-traded fund, and JPMorgan Chase is the custodian of the silver in the SLV ETF. The prospectuses of these ETFs have omitted a "material fact" that their custodians have sold gold and silver on a massive scale and that they do not have the metal to meet their liabilities. There is an obvious conflict of interest here.

Such an omission is a criminal offense under Article 10(b) of the Securities Act. The CFTC has the power under the Commodity Exchange Act to suspend any firm from an exchange if it has violated the Securities Act. Will the CFTC do so? I will not hold my breath.

This latest skulduggery only helps to confirm what GATA has been exposing for more than 10 years. Nor is this the first change in government reporting that has occurred as a direct result of GATA exposes. In 2000 the U.S. Mint changed the denomination of 1,700 tonnes of gold stored at West Point from "gold reserves" to "custodial gold," which implies that a change in ownership occurred. When GATA inquired about this change, *all* U.S. gold was reclassified into the meaningless and farcical category of "Deep Storage Gold."

But all market manipulations are unsustainable. The suppression of gold and silver represents the investment opportunity of a lifetime because they will rise to their true market prices when these illegal activities come to a sticky end. More and more investors, institutions, central banks, and countries are not only buying gold and silver but buying *real physical gold and silver metal*, not paper promises or substitutes. There are increasing signs that the supply of real metal is becoming tight. Once impending default becomes apparent, the precious metals will shake off their shackles and be priced several fold more than they are today.

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*Adrian Douglas is publisher of the Market Force Analysis letter ([www.marketforceanalysis.com](http://www.marketforceanalysis.com)) and a member of GATA's Board of Directors.*

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<http://gata.org/tshirts>

Or a colorful poster of GATA's full-page ad in The Wall Street Journal on January 31, 2009:

<http://www.cartserver.com/sc/cart.cgi>

Or a video disc of GATA's 2005 Gold Rush 21 conference in the Yukon:

<http://www.goldrush21.com/>

\* \* \*

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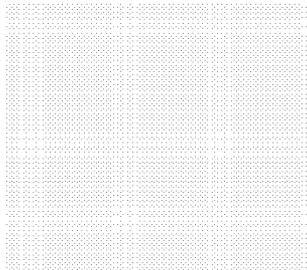
<http://www.gata.org/node/16>

## Contact GATA

[info@gata.org](mailto:info@gata.org)

Gold Anti-Trust Action Committee  
7 Villa Louisa Road  
Manchester, Connecticut  
06043-7541 USA

[www.gata.org](http://www.gata.org)



## Recommended Sites

Recommended Internet sites for daily monitoring of gold and precious metals news and analysis.

### Free sites:

<http://www.24hgold.com>

<http://www.jsmineset.com>

<http://www.marketwatch.com>

<http://www.mineweb.com/>

<http://www.gold-eagle.com/>

<http://www.kitco.com/>

<http://www.usagold.com/>

<http://www.usagold.com/amk/usagoldmarketupdate.html>

<http://www.GoldSeek.com/>

<http://www.GoldReview.com/>

<http://www.capitalupdates.com/>

<http://www.DailyReckoning.com>

<http://www.goldenbar.com/>

<http://www.silver-investor.com>

<http://www.thebulliondesk.com/>  
<http://www.sharelynx.com/>  
<http://www.mininglife.com/>  
<http://www.financialsense.com>  
<http://www.fgmr.com>  
<http://www.goldensexant.com>  
<http://www.goldismoney.info/index.html>  
<http://www.howestreet.com>  
<http://www.depression2.tv>  
<http://www.un-debt.net>  
<http://www.minersmanual.com/minernews.html>  
<http://www.goldcolony.com>  
<http://www.miningstocks.com>  
<http://www.mineralstox.com>  
<http://www.freemarketnews.com>  
<http://www.321gold.com>  
<http://www.SilverSeek.com>  
<http://www.investmentrarities.com>  
<http://www.kereport.com> (Korelin Business Report -- audio)  
<http://www.plata.com.mx/plata/home.htm> (in Spanish)  
<http://www.plata.com.mx/plata/plata/english.htm> (in English)  
<http://www.resourceinvestor.com>  
<http://www.miningmx.com>  
<http://www.prudentbear.com>  
<http://www.dollarcollapse.com>  
<http://www.kitcosey.com>  
<http://000999.forumactif.com/>  
<http://www.golddrivers.com/>  
<http://www.goldpennystocks.com/>  
<http://www.oroymas.com/> (in Spanish)  
<http://www.goldcore.com/>  
<http://coininfo.com/>  
<http://www.insidegold.com/>  
<http://www.goldmau.com/>  
<http://www.milesfranklin.com>  
<http://www.silverminers.com>  
<http://www.gold-speculator.com>  
<http://bullion.NWTMint.com>  
<http://www.PreciousMetalsMonthly.com>  
<http://www.SilverStockReport.com>  
<http://www.longwavegroup.com/>

<http://theaureport.com/>

**Subscription sites:**

<http://www.lemetropolecafe.com/>

<http://www.marketforceanalysis.com/>

<http://www.hsletter.com>

<http://www.interventionalanalysis.com>

<http://www.investmentindicators.com/>

<http://www.caseyresearch.com/>

<http://www.deepcaster.com/>

<http://www.vrtrader.net/>

**Eagle Ranch discussion site:**

<http://os2eagle.net/SSL/phentry.php>

**Ted Butler silver commentary archive:**

<http://www.investmentrarities.com/>

## Recommended Gold & Bullion Dealers

Coin and precious metals dealers who have supported GATA and been recommended by our supporters:

Amsterdamgold.com  
Herengracht 574  
1017 CJ Amsterdam, The Netherlands  
+31 (0) 20 521 9424  
Fax: +31 (0) 20 521 9333  
[sales@amsterdamgold.com](mailto:sales@amsterdamgold.com)  
<http://www.amsterdamgold.com>

Anglo Far-East Bullion Co.  
Level 23, Monticello, Anastasio Ruiz N  
Panama City, Panama  
Contact: Alex Stanczyk  
+1-206-905-9961  
[newclients@anglofareast.com](mailto:newclients@anglofareast.com)  
<http://www.anglofareast.com>

Blanchard & Co. Inc.  
909 Poydras St., Suite 1900  
New Orleans, Louisiana 70112  
888-413-4653  
<http://www.blanchardonline.com>

Bullion Custodial Services Inc.  
280-60 Renfrew Drive  
Markham, Ontario L3R 0E1, Canada  
Rob Kirby, Sales Agent  
[rkirby@kirbyanalytics.com](mailto:rkirby@kirbyanalytics.com)  
416-233-5784  
<http://www.KirbyAnalytics.com>

Centennial Precious Metals  
Box 460009  
Denver, Colorado 80246-0009  
1-800-869-5115  
Michael Kosares, Proprietor  
[cpm@usagold.com](mailto:cpm@usagold.com)  
<http://www.USAGOLD.com>

Colorado Gold  
222 South 5th St.

Montrose, Colorado 81401  
Don Stott, Proprietor  
1-888-786-8822  
[Gold@gwe.net](mailto:Gold@gwe.net)  
<http://www.ColoradoGold.com>

El Dorado Discount Gold  
13014 N. Dale Mabry Highway  
Suite 133  
Tampa, Florida 33618  
623-643-8785  
Contact: Steve Forehand  
[steve@eldoradogold.net](mailto:steve@eldoradogold.net)  
<http://www.eldoradogold.net>

Goldcore  
63 Fitzwilliam Square  
Dublin 2, Ireland  
+353 (0)1-632-5010  
... and ...  
No. 1 Cornhill  
London EC3V 3ND, England  
+44 (0)203-086-9200  
[Mark.OByrne@goldcore.com](mailto:Mark.OByrne@goldcore.com)  
<http://www.goldcore.com>

GoldDrivers.com Inc.  
Emancipatie Boulevard 29  
Willemstad, Curacao  
Netherlands Antilles  
Contact: Eric Hommelberg  
+599-9-7341178  
[ehommelberg@golddrivers.com](mailto:ehommelberg@golddrivers.com)  
<http://www.golddrivers.com>

GoldMoney  
Net Transactions Ltd.  
1st Floor  
32 Commercial St.  
St Helier, Jersey JE2 3RU  
British Channel Islands (UK)  
Tel: +44-1534-511-977  
<http://GoldMoney.com>

Investment Rarities Inc.  
7850 Metro Parkway  
Minneapolis, Minnesota 55425  
Greg Westgaard, Sales Manager  
1-800-328-1860, Ext 8889  
[gwestgaard@investmentrarities.com](mailto:gwestgaard@investmentrarities.com)  
<http://www.gloomdoom.com>

Jaxville Gold and Silver Trading Co.  
4901-48 St.  
Parkland Square, Lower Mall  
Red Deer, Alberta, Canada  
Jack Fortin, Owner and Operator  
403-346-5266  
[auric@telus.net](mailto:auric@telus.net)  
<http://www.jaxville.com>

JH Mint  
13241 Grass Valley Ave.  
Grass Valley, California 95945  
530-273-8175  
[silver\\_support@vzw.blackberry.net](mailto:silver_support@vzw.blackberry.net)  
<http://www.jhmint.com>

Kitco

178 West Service Road  
Champlain, N.Y. 12919  
Toll Free: 1-877-775-4826  
Fax: 518-298-3457

...and

620 Cathcart, Suite 900  
Montreal, Quebec H3B 1M1  
Canada

Toll-free: 1-800-363-7053  
Fax: 514-875-6484  
<http://www.kitco.com>

Lee Certified Coins  
P.O. Box 1045  
454 Daniel Webster Highway  
Merrimack, New Hampshire 03054  
Ed Lee, Proprietor  
1-800-835-6000  
[leecoins@aol.com](mailto:leecoins@aol.com)  
<http://www.certifiedcoins.com>

MRCS Canada  
12303-118 Ave. NW  
Edmonton, Alberta T5L 2K2  
Canada  
Michael Riedel, Proprietor  
1-877-TRY-MRCS  
1-877-879-6727  
[mrcscanada@shaw.ca](mailto:mrcscanada@shaw.ca)  
<http://www.mrcscanada.com>

Miles Franklin Ltd.  
1001 Twelve Oaks Center Drive  
Suite 1028  
Wayzata, MN 55391  
1-800-822-8080  
Contacts: David Schectman,  
Andy Schectman, and Bob Sichel  
<http://www.milesfranklin.com>

Missouri Coin Co.  
11742 Manchester Road  
St. Louis, MO 63131-4614  
[info@mocoin.com](mailto:info@mocoin.com)  
314-965-9797  
1-800-280-9797  
<http://www.mocoin.com>

Northwest Territorial Mint  
1307 West Valley Highway North  
Suite 101  
Auburn, Washington 98001  
1-800-344-6468  
[sales@NWTMint.com](mailto:sales@NWTMint.com)  
<http://bullion.NWTMint.com>

Precious Metals International Ltd.  
Anderson Square Building, 3rd Floor  
George Town, Grand Cayman  
P.O. Box 866  
Cayman Islands, British West Indies  
Proprietor: Richard S. Love  
<http://www.PMILimited.com>  
[PMI@PMILimited.com](mailto:PMI@PMILimited.com)  
Toll-free: 866-764-2878  
Local: 242-394-5527

Resource Consultants Inc.  
6139 South Rural Road

Suite 103  
Tempe, Arizona 85283-2929  
Pat Gorman, Proprietor  
1-800-494-4149, 480-820-5877  
[Metalguys@aol.com](mailto:Metalguys@aol.com)  
<http://www.buysilvernow.com>

Scottsdale Silver & Gold  
20701 North Scottsdale Road  
Suite 107-266  
Scottsdale, Arizona 85255  
1-888-SIL-BARZ or 1-888-745-2279  
[sales@scottsdaleSilver.com](mailto:sales@scottsdaleSilver.com)  
<http://www.ScottsdaleSilver.com>

Seekbullion Gold and Silver Auctions  
8420 S. Continental Divide Road  
Suite 221  
Littleton, Colorado 80127  
Peter Spina, Owner  
[PeterSpina@goldseek.com](mailto:PeterSpina@goldseek.com)  
<http://www.seekbullion.com>

Silver Gold Bull  
4819 45 Street  
P.O. Box 2621  
Rocky Mountain House, Alberta T4T-1L6  
Canada  
Contact: Mihali Belandis  
416-628-3544  
[Sales@SilverGoldBull.com](mailto:Sales@SilverGoldBull.com)  
<http://www.SilverGoldBull.com>

Silver Trading Co.  
445 Montgomery St.  
PO Box 876  
Shreveport, Louisiana 71107  
Larry LaBorde, Proprietor  
318-470-7291  
[LLaBord@silvertrading.net](mailto:LLaBord@silvertrading.net)  
<http://www.silvertrading.net>

SprottMoney Ltd.  
Royal Bank South Tower  
200 Bay St.  
Suite 2750, P.O. Box 90  
Toronto, Ontario M5J 2J2  
Canada  
416-861-0775  
or toll-free 888-861-0775  
[sales@sprottmoney.com](mailto:sales@sprottmoney.com)  
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Swiss America Trading Corp.  
15018 North Tatum Blvd.  
Phoenix, Arizona 85032  
Dr. Fred I. Goldstein, Senior Broker  
1-800-BUY-COIN  
[FiGoldstein@swissamerica.com](mailto:FiGoldstein@swissamerica.com)  
<http://www.swissamerica.com>

The Moneychanger  
Box 178  
Westpoint, Tennessee 38486  
Franklin Sanders  
1-888-218-9226, 931-766-6066  
<http://www.the-moneychanger.com>

True Metals Group

728 West Ave., Suite 1100  
Cocoa, Florida 32927  
Daniel and Karina Ward, Owners  
866-303-0781  
[Sales@silver50.com](mailto:Sales@silver50.com)  
<http://www.silver50.com>

Worldwide Precious Metals (Canada) Ltd.  
Suite 1488, 777 Hornby St.  
Vancouver, British Columbia V6Z 1S4  
Canada  
President: John P. Downes  
Toll-free: 1-866-623-2002  
Local 778-945-2002  
[info@wwpmc.com](mailto:info@wwpmc.com)  
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