

```
Is_self: False
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**\*\*It's time for these people to be held accountable.\*\***

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**\*\*Prerequisite DD\*\***

[3. The EVERYTHING Short]([https://www.reddit.com/r/GME/comments/mgucv2/the\\_everything\\_short/](https://www.reddit.com/r/GME/comments/mgucv2/the_everything_short/))

Everything fits within ALL corners of the fraud triangle. Citadel commits violations just to make a few million, knowing their fines are essentially just a small tax. Now that their exposure to shorted stocks and

I'm going to show you pieces of the disclosure event and gently massage it into your smooth brains.

<https://preview.redd.it/fcbti40lsgr61.png?width=598&format=png&auto=webp&s=4bbdef79a6952eb2922fc3414cdb9547317cd29b>

1. Incorrectly reporting internal transfers as treasury transactions
2. Failing to append the "No Remuneration" indicator to TRACE reports for certain transactions between affiliates
3. Failing to include the correct contra-party type in its TRACE reports for certain affiliates

Now, lemme take you to school.

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The codification (official accounting bible from FASB) explains related party disclosures under ASC 850. I'd love to have a subscription to this, but it's about \$1,200 a year. So here's a [\[link\]\(https://dart.deloitte.com/USDART/home/codification/broad-transactions/asc850\)](https://dart.deloitte.com/USDART/home/codification/broad-transactions/asc850) from Deloitte that gives a decent overview of ASC 850-10.

1. \*A parent entity and its subsidiaries\*
2. \*Subsidiaries of a common parent\*
3. \*An entity and trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of the entity's management\*
4. \*An entity and its principal owners, management, or members of their immediate families\*
5. \*Affiliates.\*

1. \*Sales, purchases, and transfers of real and personal property\*
2. \*Services received or furnished, such as accounting, management, engineering, and legal services\*
3. \*Use of property and equipment by lease or otherwise\*
4. \*Borrowings, lendings, and guarantees\*
5. \*Maintenance of compensating bank balances for the benefit of a related party\*
6. \*Intra-entity billings based on allocations of common costs\*
7. \*Filings of consolidated tax returns.\*

For example, party A (affiliate) may be selling products / services to party B (also an affiliate) at a rate that

Likewise, Party A may need to remove something from their balance sheet (bad loans, etc.) and simply use Party B as a dumpster. This is EXACTLY what [Enron](https://www.journalofaccountancy.com/issues/2002/apr/theriseandfallofenron.html) did with their **\*\*special purpose entities\*\*** **\*\* (REMEMBER THAT TERM), or SPEs\*\***. When Enron had to incur huge losses, they simply shifted those losses to shell companies and left the "good" stuff on their books.

Ok.... when you send transactions to the TRACE system, they ask you to prove they are legitimate. If they are legitimate, and occur with an affiliate, FINRA needs to know that.. This is to prevent frauds like Enron from happening again.

Breaking this down:

- Now we begin to uncover the corners of the fraud triangle \*(pressure, incentive, opportunity)\*. Citadel was obviously compliant for 86% of their treasury reports, so WHY would they feel the need to "unintentionally" OVER-report 14%....

<https://preview.redd.it/mbo5ina2tgr61.png?width=862&format=png&auto=webp&s=a447438353463706035d9c7a377135e502da2e0b>

Presenting [**Citadel Securities Institutional,**  
LLC<sup>1</sup>](<https://sec.report/Document/0001649718-21-000001/CSIN StmtFinCndtn2020.pdf>)<sup>2</sup>!!!!

<https://preview.redd.it/q5z47qe3tqr61.png?width=919&format:=png&auto:=webp&s:=848a3a19b8a58431c>

No wonder why FINRA was pissed. It \*LOOKS LIKE\* Citadel took treasuries from Citadel Securities and

transferred them to Citadel Securities Institutional, but reported them as sales transactions to TRACE.....

[Queue violation # 2](https://www.finra.org/sites/default/files/fda\_documents/2019061038301%20Citadel%20Securities%20LLC%20CRD%20116797%20AWC%20jlg.pdf)

Again, let's ignore the part where they pretended to "discover" the issue in June 2019 prior to being contacted. Let's also ignore the lack of "necessary" logic to determine which transactions are which.

Now what is

Basically, it's a type of compensation. In the case of Citadel Securities, it's the price adjustment that is passed to Citadel Securities Institutional when a treasury is sold / lent.

An affiliated market transaction might sell a treasury security for \$990, with \$10 in remuneration for a total of (\$1,000). In this case, the bond is ONLY worth \$990, but the \$10 in remuneration makes it APPEAR like a \$1,000 bond..

This is what happened to Citadel Securities. There were 45,638 instances between July 2017 and October 2019 where Citadel Securities did NOT appropriately indicate this....

**\*\*Citadel..... Why you TALKIN' like a duck?\***

<https://preview.redd.it/ur98wqavtgr61.png?width=703&format=png&auto=webp&s=0ea8d3c64afc1f06fa3f700dc04b9132f24ce7ee>

Really.... it doesn't get much more obvious than this....

They're then cited for failing to indicate a No Remuneration transaction with affiliated parties....

<https://preview.redd.it/q7imuxb3ugr61.png?width=636&format=png&auto=webp&s=fe9f5f5163eaf4daffc32eefbf41fc28a0b8cc89>

huh.... [cost-plus](https://www.investopedia.com/terms/c/cost-plus-contract.asp)..... sounds a lot like a remuneration agreement.... because it is.

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If you're wondering where the auditor (PWC) is in all of this, they just have to verify the statements are

FAIRLY PRESENTED. \*\*THEY DON'T HAVE TO SAY ANYTHING ELSE! All audit firms are now in the business of consulting, like Arthur Andersen did with Enron. They all sit in a room and discuss the best way to present this sh\\*t without looking like a giant fraud.\*\*

You want to see how bad the situation has become? Check out this [10K]([https://www.sec.gov/ix?doc=/Archives/edgar/data/0001820727/000110465921046086/tm218735d1\\_10k.htm](https://www.sec.gov/ix?doc=/Archives/edgar/data/0001820727/000110465921046086/tm218735d1_10k.htm)) (PG 4) from one of Citadel's recent 13G/A filings on 2/16/2021. Keep in mind, this is an acquisition company that \*specializes\* in purchasing companies that are headed for bankruptcy...

[ MUDRICK CAPITAL ACQUISITION CORPORATION II ](<https://preview.redd.it/3as170q7ugr61.png?width=1871&format;=png&auto;=webp&s;=3ba5b3f536def5931ff633895a79bc2f3440f50d>)

This is so much more than speculation..... Citadel is a \*duck\*.

DIAMOND.F\*CKING.HANDS

\*\*\*This is not financial advice\*\*\*