

Title: Quietly, JPMorgan Chase Has Been Battling Another Felony Charge – This Time for Tax Fraud in France. Its Defense Is Its “Human Rights” Have Been Violated.

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Is_self: True

By [Pam Martens and Russ Martens](<https://wallstreetonparade.com/about-3/about/>): September 1, 2021
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Thierry Marembert, an Attorney for JPMorgan Chase in Wendel Tax Fraud Case

JPMorgan Chase is the bank that gambled with the bank deposits of moms and pops across America in 2012 by trading exotic derivatives in London and losing \$6.2 billion in the process. It's also the bank that admitted to two felony counts in 2014 for its role in facilitating Bernie Madoff ripping off the life savings of thousands of more moms and pops across America. Its [rap sheet](<https://wallstreetonparade.com/12259-2/>) of ripping off the little guy reads like that of an entrenched crime family.

But when the bank was indicted in France on April 16, 2015 for being complicit in tax fraud, it had the temerity to appeal the charges on the basis that *its* “human rights” had been violated, along with various codes of criminal procedure. Its argument boiled down to this: it hadn't been advised that it had the right to remain silent during an interrogation.

JPMorgan is an international bank that has been in existence for more than a century. It has legions of international lawyers on its payroll, employed at the most sophisticated law firms in the world. After a century of court battles, shouldn't the bank and its lawyers know it has the right to remain silent?

Amazingly, on September 26, 2018, [the criminal chamber of the Court of Cassation](https://www.legifrance.gouv.fr/juri/id/JURITEXT000037474177?page=1&pageSize=10&query=;morgan+chase+WENDEL&searchField=;ALL&searchType=;ALL&tab=_selection=all&typePaging=;DEFAULT) in France bought into this argument and not only annulled the indictment but ordered that all references to the bank, including its attorneys' names, be removed from the indictment.

We could see this court rationale if the case was about some bloke down on his luck with no prior brushes with the law who was being represented by the public defender. But JPMorgan Chase is [a five-count felon in the United States](<https://wallstreetonparade.com/2020/09/jpmorgan-chase-admits-to-two-new-felony-counts-brings-total-to-five-felony-counts-in-six-years-all-during-tenure-of-jamie-dimon/>), a recidivist law breaker, with the best lawyers that billions of dollars in profits a year can buy.

According to the court records, JPMorgan Chase was being represented by Thierry Marembert of the Paris-based firm, Kiejman & Marembert. The law firm's website describes Marembert as follows:

“For over twenty years, he has been representing corporations, their executives and corporate officers, international institutions and local authorities, in court and before various regulatory bodies.”

And this:

“...he worked in the office of Prime Minister Michel Rocard. He was then at the American firm, Shearman & Sterling, and the British firm, Linklaters, where he specialised in international mergers and acquisitions, project finance, and privatization/liberalization of regulated industries such as energy and telecommunications.”

And this:

“He has defended clients before all French criminal courts, regulatory bodies, and administrative authorities (including the AMF, the Court of Auditors, as well as the Budget and Finance Disciplinary Court).

“Because of that experience, Thierry Marembert frequently appears as a speaker on international corruption at the annual OECD/IBA Anti-Corruption Conferences.

“He also participated in a conference on criminal procedure held at the University of Panthéon Assas on November 25, 2011, where he spoke on the issue of ‘Language, Linguistics, and the Right to an Attorney.’”

One might be forgiven for assessing from all of the above that Thierry Marembert knows that a client has the right to remain silent.

The tax fraud case revolves around former directors and executives of the investment firm, Wendel. According to court records, three directors and 11 senior executives had derived a net gain of approximately 315 million euros (\$373 million currently) from an initial investment of approximately 996,250 euros. The scheme allegedly involved a series of bogus transactions so that the directors and executives could avoid paying capital gains taxes on stock awards from Wendel. Some of the executives said they were bullied by higher ups into going along.

Court records show that there are emails implicating JPMorgan Chase in the scheme.

Making the case even more politically sensitive here in the United States, (which may explain why you are not reading about it in the mainstream business press), some of the emails involve advice from a lawyer at the law firm, Debevoise & Plimpton. As the myriad court appeals were playing out in France, Mary Jo White was the Chair of the Securities and Exchange Commission in the United States, the top cop for Wall Street.

Mary Jo White came to the SEC from Debevoise & Plimpton, where she was a partner and had represented JPMorgan Chase, among numerous other Wall Street banks. In fact, White had promised the Senate that she would retire from the firm if she were confirmed to head the SEC. [She broke that promise and returned to Debevoise & Plimpton](<https://wallstreetonparade.com/2017/02/mary-jo-white-seriously-misled-the-u-s-senate-to-become-sec-chair/>) following her stint at the SEC.

The French tax fraud case against JPMorgan Chase never actually went completely away. The most recent news on the case comes not from the U.S. mainstream financial press, but from JPMorgan Chase’s own quarterly filing (10-Q for the period ending June 30, 2021) with the SEC. It reads in part:

“At the opening of a trial of the managers of Wendel in January 2021, the tribunal correctionnel [criminal court] directed the criminal authorities to clarify whether a further investigation should be opened against JPMorgan Chase, pending which the trial was postponed. In April 2021, the Court of Cassation declined to hear JPMorgan Chase Bank, N.A.’s appeal of the January 2021 decision of the tribunal correctionnel at this stage of the proceedings.”

Equally interesting, JPMorgan’s 10-Q filing with the SEC for the second quarter of 2015, following its indictment in France on April 16, 2015 for complicity in tax fraud, would appear to be insufficient on the facts. It reads:

“Wendel. Since 2012, the French criminal authorities have been investigating a series of transactions entered into by senior managers of Wendel Investissement (‘Wendel’) during the period from 2004 through 2007 to restructure their shareholdings in Wendel. JPMorgan Chase Bank, N.A., Paris branch provided financing for the transactions to a number of managers of Wendel in 2007. In April 2015, JPMorgan Chase Bank, N.A. was notified that the authorities were formally investigating its role in the transactions. JPMorgan Chase is responding to and cooperating with the investigation. In addition, civil proceedings have been commenced against JPMorgan Chase Bank, N.A. by a number of the managers. The claims are separate, involve different allegations and are at various stages of proceedings.”

Being “investigated” for a “role in the transactions” is not the same, by a long shot, as being “indicted” for complicity in tax fraud. Charging French authorities in court with violating the bank’s “human rights” doesn’t exactly sound like “cooperating” either.

Even Jamie Dimon, the Chairman and CEO of JPMorgan Chase, who holds no law degree, appears able to comprehend that the case involves a potential “pending” “felony” charge against the bank. That’s precisely what Dimon has reported on his current [BrokerCheck page](https://files.brokercheck.finra.org/individual/individual_2095352.pdf) at the self-regulator FINRA. Dimon’s current page reports the following in regard to the Wendel matter:

“14 felony counts pending” regarding “Complicity in tax fraud under articles 1741, 1742 and 1750 of the French General Tax Code and articles 121-2, 121-6, 121-7 and 121-38 of the French Penal Code.”

Dimon also includes this caveat:

“Mr. Dimon is disclosing this matter because, in certain respects unrelated to the underlying conduct, he may be deemed to have exercised control over JPMCB \[JPMorgan Chase Bank\]. There are no allegations or facts set forth in the information that refer to Mr. Dimon personally.”

Dimon may have another problem, however. In the quarterly filing (10-Q) with the SEC for the quarter ending June 30, 2021, the bank uses the French phrase “mise en examen” instead of explaining to investors that are reading its SEC filing that the French phrase means “indictment.”

SEC laws require clear and adequate disclosures of risks and liabilities facing a publicly-traded company. Writing in French in an English-language document would seem to fall far short of that mark.

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