Title: Shorts never closed, they're being hidden in options through hedging tactics and the SEC knows about it!
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The tactics involved are not a secret. In fact, the Securities and Exchange Commission (SEC) knows all about such tactics, and published a "risk alert" memo on the topic in August 2013.

The SEC memo is titled "Strengthening Practices for Preventing and Detecting Illegal Options Trading Used to Reset Reg SHO Close-out Obligations." You can read it here via the SEC website.
https://www.sec.gov/about/offices/ocie/options-trading-risk-alert.pdf

The memo contains a dozen pages of highly technical language, but here's a quick rundown:

• If short sellers are facing a squeeze because shares are hard to buy, or scrutiny for holding an illegal short position, they can create an appearance of having closed their short position through the use of deceptive options trades.

• A hedge fund that is short a stock can write call options on a stock — meaning they are now "short" the call options, having sold the call options to someone else (typically a market maker) — and simultaneously buy shares against the call options.

• The shares bought against the call options could be "synthetic" longs — meaning they are not part of the original share float of the stock — as sold to the hedge fund by the market maker that takes the other side of the options trade.
• This works because, if a market maker buys options from an options writer, the market maker has legal privileges to do a version of "naked shorting" as part of their hedging function. This is necessary, under the current rules and the current system, for market makers to protect themselves when facilitating options trades.

• As a result of the above transaction, the hedge fund that sold short calls was able to buy synthetic long shares against the calls. (A synthetic share is one that has a long on one side and a short on the other but wasn't part of the original float.) The synthetic long shares are the other side of the naked shorts, legally initiated by the market maker, so the market maker can hedge.

• The hedge fund that bought the shares can now report that they have "bought back" their short position via buying long shares — except they actually haven't! The synthetic shares they bought are canceled out against the short call positions they initiated, a necessity of the maneuver by way of the market maker's hedging of the call position they bought from the hedge fund.
It gets very complicated, very fast.

But the gist is that hedge funds can use tricks to make it look like they've covered their shorts — even if they haven't truly covered, and can't, for lack of available float — by way of exploiting loopholes that exist due to an interplay of reporting rule delays, market maker naked shorting exceptions, and legal practices of synthetic share creation (new longs and shorts made from thin air) relating to market-making.

Below is a section of the SEC memo (from page 8) that gets to the heart of it:

“Trader A may enter a buy-write transaction, consisting of selling deep-in-the-money calls and buying shares of stock against the call sale. By doing so, Trader A appears to have purchased shares to meet the broker-dealer’s close-out obligation for the fail to deliver that resulted from the reverse conversion. In practice, however, the circumstances suggest that Trader A has no intention of delivering shares, and is instead re-establishing or extending a fail position.”

In plain language, “Trader A” in SEC parlance could intentionally be giving the appearance of closing their illegal short position — when in reality they have no intention of doing so (or no ability to do so).

Under normal circumstances, tricks like these were used to help hedge funds maintain short positions that, legally speaking, they weren’t supposed to have because the shares were never properly located.

As a side note, the answer to this problem likely resides in the blockchain.

Apart from market maker privileges, the three big reasons hedge funds can play games with short positions — delayed reporting requirements, time windows of days (or even weeks in some cases) for trades to settle, and related transactions being executed in different places, or with different counterparties, for the sake of deception — could all be answered with a blockchain-based settling and clearing system where transactions are noted instantly and made visible to all parties (plus the SEC).

We’ve seen multiple DD talking about this yet we’ve overlooked it every time by not digging into it as much as possible, when this is how they’re hiding their short positions! The short percentage is well over 100% still and this is proof of that. So all our focus needs to be here! This is the stuff we need to demand SEC to make changes on not the bull shit rules they have been proposing. We need thorough research papers done on just this alone.

- I propose we get funding to get actual lawyers to look into the legalities of these hedge fund tactics and synthetic shares as well as if these tactics are breaking current SEC rules.

- I also think we need to find solutions that could counter these manipulative hedge tactics.

-Lastly, I propose we set up a fund raiser to fund other things like paying people to publish research reports and actual news reports on these things that the current media refuses to report on. We spend all this money into our favorite stonks that get shorted to shit and continue to be manipulated but we spend none of that money towards the things that could help tell our side of the story, help inform others, or make researched professional articles/papers that no one could deny the credibility of, and ultimately what helps us win against shorts.

Edit: I wanna point out that this is the dangers of having a company that is both a Market-maker and a Hedge fund! Aka Citadel (hedge fund) & Citadel Securities (Market Maker)

1. The hedge fund that’s short (Citadel) can ‘write’ their own Options and sell it to the market-maker (Citadel Securities)
2. Then the market-maker (Citadel Securities) can legally create a “synthetic” long position to be able to ‘hedge’ against the other side of the options trade they bought from the hedge fund (Citadel).
3. And in return the market-maker (Citadel Securities) can now sell this new ‘synthetic’ long position to the hedge fund (Citadel), which can now use it to say/make it look like they’ve bought back their short position.