



The Solari Report

May 24, 2018

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C. Austin Fitts: Ladies and gentlemen, welcome to The Solari Report. Alexander Hamilton once said that the first duty of society is justice, and I'm about to introduce you to an award-winning investigative journalist, Dave Lindorff.

As I look at the portfolio of the incredible breadth of what he has written about and covered during the past 40 years, I would say the overarching theme is that this is a man who is extremely interested in justice and how we preserve and support and make justice happen in society. So, it's a real pleasure to have him on.

He has written for many different publications, and in 2004 at the beginning of the growth of the internet, he started a website called 'This Can't Be Happening' and invited a group of colleagues. It became successful. It received awards from, among other places, our favorite, *Project Censored*. Now he even has a 'poet in residence' and I'm impressed.

When I saw the first posting from Gary Lindorff I said, "Okay, what's the connection?" Then I realized that it was your brother.

So welcome to The Solari Report. Thank you very much for joining us.



Lindorff: Thank you for having me.

Fitts: We're here to talk about Abacus Federal Savings Bank. During the last several years we've done much on The Solari Report with, what I would call, 'malicious prosecution' – usually at the Department of Justice.

The Abacus Federal Savings story is one that I've always been interested in. Then when I was talking with you, and you mentioned that you had covered it, I said, "I'm going to look deeper," including watching the documentary that has now been made about the story. I think it was, in part, inspired by your work covering the story.

It was a prosecution by the office of Cyrus Vance, which is the Manhattan DA. It's one of the most incredible stories I've ever read.

Let's start by describing how you got involved in covering Abacus and why you thought that it was so important.

Lindorff: It's actually a very funny story how I got involved in it. It's in New York, at a small bank. It's one of the tiniest banks in New York City. You would never pay much attention to what happens to it ordinarily, but I spent five years in Hong Kong covering the Hong Kong and China story for *Businessweek*. So, when a friend of mine who also was in China and Hong Kong covering news for *Bloomberg* – before *Bloomberg* took over *Businessweek* back in the 1990's –and was back in Atlanta, he received a call from a classmate of his from Cornell. This classmate is now an editor at *Crain's New York Business*, which is a regional business publication.



That classmate had called him and said, “Hey, Matt, would you do an article for me on Chinese banks in New York?” There were many of them, and he thought that it would be an interesting story.

Matt said that he couldn’t do it because he was being sent back to China by *Bloomberg*, and said, “Why don’t you call a colleague and friend of mine, Dave Lindorff, who is in Philly – not far from New York – and he really knows Chinese banks because he spent five years covering them in Hong Kong, and he speaks Chinese.”

So, the man called me and asked if I would do that story, and I thought, “It’s a very difficult story to do because the Chinese have private banks, and the Chinese owners are notoriously closed-mouthed about what their business is.”

I said, “This is going to be really difficult.” So, I asked him to give me a big kill fee in case I couldn’t do the story.

He understood and said, “Okay.”

So, I began the process of calling these banks. I got a list of them, and sure enough, call after call I was shot down. Nobody wanted to talk to me. I was despairing and thinking, “I’m going to get this kill fee.”

I called the bank in Abacus, and I got Thomas Sung, the chairman and founder of the bank. He answered the phone because the bank is that small. I told him what I was doing, and he was also very reluctant-sounding.



I switched to Chinese, and he said, “Oh, your Chinese is really good! Where did you learn it?”

I said, “Oh, I spent five years in Hong Kong, and a year in Shanghai as a Fulbright teaching journalism.”

He said, “No, you didn’t learn Chinese at that. You must have lived in a Chinese country or have Chinese relatives or something; it’s really good.”

I said, “Well, it was my major in college.”

He said, “Where did you study?”

I said, “Well, I took a lot of courses at Columbia, but I received the degree from the college, Wesleyan, in Connecticut.”

He said, “Oh, my daughter went to Wesleyan. It’s a good school.”

That was the opening. Then he told me all about the history of Chinese banking in America, which is fascinating, and I didn’t know any of it – including the Chinese exclusion law. In the late 1800’s, Congress passed a law making it illegal and impossible for any Chinese immigrant to become a US citizen. That was not repealed until 1942, which is stunning to me and I had no idea. With all that studying of Chinese and Chinese history, I never learned that.



Then I was thinking, “Now I can do this story,” because he told it to me, including the founding of his bank. Then at the end, he said, “Full disclosure: We’re under felony indictment for mortgage fraud by the Manhattan DA,” and my heart sank.

I thought, “How can I base this story on a felon?”

Then he said, “But it’s all ‘bullshit’, and we’re fighting it in court, and we are going to win.”

Fitts: I want to know exactly what word he used in Chinese to say ‘bullshit’.

Lindorff: Oh, that he said in English, but there are terms that are equivalent like ‘niushi’, but I’m not sure they say ‘niushi’; I never heard that.

At any rate, he rescued me. I called the editor and said, “You know, we a complete different story here. There is a little bank – one of the tiniest banks in New York – and it is being indicted for mortgage fraud, but it’s the only bank in the entire fiscal crisis to have been indicted for mortgage fraud even though the man who is doing it, Cyrus Vance, has a jurisdiction which is headquarters to four of the ‘too-big-to-fail’ banks: Morgan Stanley, JP Morgan Chase, CitiBank, and Goldman Sachs.”



So, he is indicting the smallest bank, and to make matters worse, when I started looking into it and at the news coverage of his initial press conference announcing the indictment, it was horrible. First of all, he said to the assembled reporters that what this bank did was emblematic of the frauds that brought the country's economy to its knees.

Then he paraded these indicted tellers and loan officers in a chain gang formation, linked by a chain. It was phenomenal but was such a stupid thing on his part. Eight hundred thousand people live in the New York metropolitan area.

Fitts: I want to stop you for a moment and point out that Abacus was securitizing into Freddie and Fannie, and the portfolio in question was a highly profitable portfolio that has an unusually low default rate.

Lindorff: They only made 20% down payment mortgages. They didn't do any subprime mortgages or any 5% down mortgages.

Fitts: Right, but we're talking about a portfolio in which Fannie made money and never lost money.

Lindorff: They never lost, and their default rate was below 6%, which was among the lowest in the country at the time of the indictment.

Fitts: I think it was a half of a percent at the time of the indictment compared to 6%, which I thought was the average.



Lindorff: You're right. The average was 6%, and they were .5%. Not only that, but the specific mortgages that were cited – and over 100 mortgages were cited in the indictment – have either been paid off or were still current. There wasn't any one of them that was in default at any time.

Fitts: If they were after them for anything, it was for not participating in the fraud.

Lindorff: The most amazing thing about this story is that I want to give a great deal of credit to the filmmakers who came to me and told me that they were doing this film, in part, because they saw the articles that I did in *Crain* and in *American Banker* about the case and saw how big a story it was. The two people, Steve James and Mark Mitten, the director and producer, did this story when the case was going to trial. They had no idea what the outcome was going to be.

It was a jury trial, and there were 150 indictments, including the two loan office managers and a number of loan officers and a few other people, but not the top officers. The chances that not one of those indictments was going to get a unanimous jury vote of 'not guilty' was insignificant. It was laid out that way so that they would at least get them on something.

What they were really trying to do was get a guilty plea from the chairman on behalf of the bank and run it out of business. That was the plan, but he chose to go to trial and fight it on every count, as well as the two bank officers who stuck with him. They were at the same trial.



If the trial had gone guilty, Steve and Mark wouldn't have had a movie. They could have still done the movie, but it wouldn't have had any real power and clout. But in the end, and this is a spoiler alert because the movie has a great deal of suspense going to the outcome, they were exonerated on all counts unanimously by the jury.

Fitts: That is remarkable.

Lindorff: There wasn't even a hung charge.

Fitts: We should mention that the chairman had three daughters, two of whom were working in the bank.

Lindorff: The youngest was working in the major crime division of Vance's office when the indictments came down. So, she was working there while her father's bank was being indicted by her boss. She ended up having to leave because she couldn't stand it, but she had many friends in the department who were telling her what their sense was of this. Everybody was horrified by it in Vance's office at lower levels, and many people departed during the trial who had been involved in it, including a Deputy DA who was obviously in charge of it and left in disgust.

Ironically, by the way, the prosecutor was also a graduate of my school as well as the President of the bank. So, it was a very incestuous little scene.

Fitts: How many of his daughters were attorneys? Weren't there two or three?



Lindorff: There were three attorneys. Vera Sung was working at the bank and was on the board and was a former DA from the Brooklyn DA's office. So, there were two former DA's by the time of the trial – Chanterelle, who was working for Vance, and Vera.

Jill Sung, who was a classmate of mine from a different graduation year, was actually in an executive position at the bank and is also a lawyer. So, he had three lawyer daughters. I don't think Vance thought about that, but these three were unbelievable.

There was a scene in one part of the movie of them walking down the sidewalk from the courthouse, and they looked like the people in that famous movie based on the 'Seven Samurai'. I believe it's the 'Magnificent Seven'. It's the desperados who go to help the Latino village to get rid of gangsters who are attacking them, and they looked like that. They have this determination of, "We're going to beat this."

That was a great scene, but I'll tell you the fascinating thing that happened that shows you how corrupt this prosecution was and how awful Vance was in this case. He knew that Chinese people are terrified of bank failures because the history of China is of banks failing right and left and people losing all their savings and their land and everything. So, when things go bad in Hong Kong with a bank, the streets are packed with people at the door in the early morning hours waiting to pull their money from the bank. It takes very little to cause a run on a bank in a Chinese setting. So, they were expecting this in Chinatown.



It had happened once before, although I think that if he had looked at it more closely, he would have seen that possibly this wasn't going to turn out the way he wanted.

Approximately ten years earlier there was a bank officer who defrauded the bank of \$1 million. When that came out and the bank reported this fraud, the entire street was filled in Chinatown in front of their offices early in the morning with everybody clamoring. The police were present, and there was going to be a run on the bank.

Tom did something right out of *It's a Wonderful Life*. He waded into the crowd before the doors opened, and told everybody in this clamoring mob, "All of you are going to get your money. You don't have to mob the doors. Line up and come in. You will get your money and I promise that we have enough money in the bank to pay everybody."

He knew it was going to happen. In that case, it wasn't a question of the bank's corruption; it was a question of whether it would survive the fraud, which it could. So, everybody calmed down, and started trickling in the door to the tellers to get their money.

Tom said that within less than an hour the crowd had dispersed and gone home because they realized that it wasn't going to fold, and they trusted him. That was the big deal. He was a community leader and they trusted him, so they didn't even take their money out.

This time he said that what happened was he received a call at 4:30 in the afternoon from Vance's office, and they said, "We want you down here tomorrow morning at 8:00am because we are going to be indicting your bank for mortgage fraud, and we need you here for that."



Tom knew that all the press was going to be alerted and it was going to be a big deal, and then there would be a run on the bank. So, he cleverly called all the Chinese papers in Chinatown – and Chinatown has about six or seven dailies, and they are all different partisan papers. Some are pro-mainland China, some are for Taiwan, and some are branches of Hong Kong papers. People really read the Chinese language press in Chinatown and around the rest of the city.

He called them all, and knew that their deadlines were around 5:00 p.m. for the next morning's papers. He told them all upfront, "We are going to be indicted tomorrow morning by the District Attorney for mortgage fraud, but it's a bogus prosecution and it has no basis. We are going to fight it in court."

In the morning, all the Chinese papers came out early and had that report on their front page. Meanwhile, Tom was at the DA's office, and they had all the press and flashing lights and the video of those people being chain-gang marched as a visual, because they had already been booked. It was horrible. They had already been called and told that they had to appear, but they didn't know that they were going to be locked in chains, which was totally theatre that backfired.

Tom went back to the bank to open the doors at 9:00 a.m., and said that when he got there, there wasn't a crowd of people, but there were three big black SUVs from the regulator, which at the time was not the Office of Thrift Supervision. It was probably the Fed or the Treasury Department.



They had these three SUVs, and were there for the run. They were prepared to shut the bank down.

Tom invited them in, and they came into the lobby. He said that they hung around for a few hours waiting for the run, and it never happened. Nothing happened and nobody came in to get money.

They finally looked at each other and said, “Nothing is going to happen. Let’s go.”

Tom said that he was convinced that Vance had warned them and said, “There is going to be a run,” so they had come. He was planning on folding the bank just with the charge.

Fitts: Let me be a ‘bad guy’ and give you my opinion. At that moment in time, the bank had a very lucrative mortgage lending business, and there was also the deposit business. If you could have gotten the net income of Abacus Savings Bank to shift over – and I’ll make it simple and say that it shifted over to one bank- and if that bank was trading at that point at 10 or 20 times earnings, you could have generated anywhere from \$.5 billion to \$1 billion of market cap on one of the big four banks spread on all four of them. At that point, the number one source of political contributions in the country was capital gains.

The four banks’ investors could have picked up massive capital gains and, of course, if you’re bailing out those banks, there is nothing more wonderful than driving their stock prices and their profits up at that time.



Lindorff: And your executive bonuses.

Fitts: You are then talking about the source of very significant political contributions.

Lindorff: There is another thing which Chanterelle told me about, which is that Vance was pocketing money. He would piggyback on all of these non-prosecution settlements that the Federal prosecutor was doing on banks where they wouldn't prosecute, and by participating as a co-prosecutor, they would pocket some of the fine money. It was the same thing with what he was hoping to do through the course of taking this to trial – to get Sung to plead guilty to something and pay a fine in lieu of prosecution, and maybe a deferred prosecution agreement. Then he would have pocketed that money.

Fitts: You would get these situations, and I saw it during that period. I tracked plenty on asset forfeiture where the enforcers could make a percent and the appropriators would let them keep that percent for their budget in a variety of different things.

Lindorff: It was horribly corrupt.

Fitts: They were using government enforcement to make money. It was a for-profit business, but then they were teamed up with the people in the private sector who could make money, particularly on their stocks.

Lindorff: They could make money by taking over the closed banks.



Fitts: Right, and then the politicians would get a kickback. So, everybody was making money by shifting the business and the equity value from the small people to the big people, and it was a shakedown. It was really a Sheriff of Nottingham operation. When you watch this, it appears to be the same thing because, in fact, you talk about lazy prosecutors. The way that they acquired the information was actually having a loan officer doing corrupt things. The Sungs caught it, fired him, reported it, and documented it.

Lindorff: They did everything right, and that was what alerted Vance to the possibility of going after this case where the loan officer had been taking bribes from people applying for loans. One woman said, “Where is my check?”

He said he was only taking the money as insurance so that they would have this loan, but then he tried to keep it. That’s when Jill said, “Hold it! This mortgage is not going through us,” and then she investigated it.

From beginning to end it showed the corruption of this full process in the fiscal process. Vance had the opportunity, if we really were talking about solving the problems that had led to the fiscal crisis, that he should have indicted. Since Barrack Obama caved and wouldn’t indict the banks, Vance – who claimed to be this big, progressive fighter against corruption – had the opportunity and the jurisdictional authority and the resources to have gone after those four banks himself.



He could have even gone after only one of them. There were admitted crimes by Blankfein and so on. They admitted that they did things that should have been indicted.

Fitts: One of the most remarkable things about the Abacus story, and one that I learned in the 1990's and the early 2000's watching a variety of people in my own litigation, was that before my litigation started I didn't believe in the law because I'd seen far too much corruption in my life and it looked like everything was rigged. Then you get into the process, and when you watch the Sung's – both the Chairman and his daughters, his legal beavers – they believe in the law and they are willing to fight for the law and practice the law. I think they spent \$10 million on this.

Lindorff: I should say that he is a lawyer, also.

Fitts: You have this group of lawyers who really do believe in the law and are willing to go to extraordinary personal financial and time commitment lengths to enforce the law. What you see is the power of the law, because with all the money on the planet arrayed against them, they win. They win because of their faith and their knowledge in the law.

Lindorff: And an enormous amount of courage. There were two things happening in this trial that fortunately didn't work, and they were linked. The two people who were the loan officers were really the ones who had the most on the line.



If they were found guilty on any of the charges against them, they would have gone to jail for a long time. I don't know what their green card status or citizenship says; it's possible that they were green card holders, in which case they would have lost their residency, too.

They really had plenty riding on this trial. What Vance was clearly doing with them was leaning on them to try to say that the higher ups, particularly Jill, knew about mortgage fraud occurring in the bank. If they had copped a plea, which it's amazing to me that they didn't to get out from the threat they were facing, they stuck with it and went right to the jury going into the room and deliberating for a week.

They never copped a plea and they were exonerated. I believe that says this entire thing was ginned up. If there was the slightest chance that they had evidence against Jill, they would have obviously taken it rather than go to jail for years. They are the real heroes of this because they stood up to the pressure to lie and frame Jill to get out. I think they deserve the most credit of all.

The other thing is that he was really trying to get Jill. He wanted a big head on this indictment, but he didn't have the evidence to do it without one of these people being the witness. So that is an important topic.

Fitts: One of the things that the movie brings out is what courage it took. It really does a good job of bringing that out as well as the suspense. You're right; with 150 counts or allegations, how can they not vote guilty on one? To come out with a clean slate is very remarkable.



Considering the jury, and the Sung, and the loan officers, and all the people involved, what you see is that the cultural existence of the people who really do believe in the law got this all stopped. It was at extraordinary expense and extraordinary waste of resources.

Lindorff: It cost millions of dollars to defend them.

Fitts: Think of what the trial cost the taxpayers and the juries and everyone else. It's a large waste of many lawful people's resources.

Lindorff: The bank was also blocked from having its loans backed by Fannie Mae while this trial was underway, so they weren't issuing mortgages.

Fitts: I really think that part of this was a market share war.

Anyway, it was a real slap in the face to Vance and his team, and the question is: Was there any repercussion to him when that slap came through?

Lindorff: Not in the sense that he would lose his election. New York is such a Democratic town that he basically was running unopposed for re-election, and I think that he hasn't been elected yet because his election date hasn't come, but he is the only candidate. Nobody would run against him because he is such a famous person.



Also, he very calculatingly went after, not a black-owned bank, but against a Chinese-owned bank because, while there are 800,000 Chinese in the New York metropolitan area, I don't know how many are actually in New York City or in Manhattan, but it's a large population group. However, it's not a population group that votes in particularly high amounts. Many of them don't have the right to vote because they are here on green cards or even illegally, and then many of them who are citizens, don't vote either. It's just not a motivated American civic-minded population.

Fitts: There is a story that I want to tell you. I was in California after the Abacus prosecution. It was when Strauss-Kahn was arrested, the head of the IMF. Strauss-Kahn had announced that he was running against Sarkozy for President. There were a variety of people who wanted Sarkozy to stay and didn't want Strauss-Kahn making trouble.

I had a partnership with a firm in California, and we had just started. I walked into the investment committee meeting, and they announced, "We're dying to talk to you. Strauss-Kahn just got arrested in New York."

They told me what happened, and their idea was that I would understand politics, so I could explain what that meant. I said, "He'll be let go as soon as the Americans get who they want as head of the IMF. They want him out, and they want to put their own person in. They want to make sure that Sarkozy doesn't have any competition. So as soon as Sarkozy is safe and they have their own person in the IMF, they will just pull the charges."



Suddenly, I received a phone call from a client, and I had to leave. The wife of the head partner turned to the partner and said, “Oh my God! She’s a crazy person. This is America. You can’t do that. You can’t just throw a person in prison because you want to change who is the head of the IMF or change the politics in France. She’s a crazy person. You’ve put us in business with a crazy person.”

So, I finished the phone call, walked back in, and everybody sat up and pretended like everything was fine. Then a couple of months later, Lagarde is in as head of the IMF, and Sarkozy is safe so they let the man out. The charges were dropped.

I walked back into the investment committee, and they were all looking at me with a face of terror. Then they proceeded to tell me what had happened, and it was disclosed what they had said. They started to realize, “Oh my God! We’re now living in a banana republic. What are we going to do?”

I’ll never forget the fear on their faces. When I was in the middle of my litigation, one of my attorneys was a wonderful Jewish bankruptcy attorney, and he came back from dealing with, essentially, the Department of Justice and the FBI on an issue.

He returned and was as white as a sheet. He said to me, “My family left Germany to get away from these people, and now they are here. What am I going to do?”



I'll never forget that look. It was the same look from this group in California after they realized what Cyrus Vance had done in this situation.

Financial liquidity depends on people believing in the rule of law. It will take many of these situations before people start to realize that apparently the Anglo-American Alliance doesn't believe in the rule of law anymore. You look at what has happened with Abacus and look at the story, and you realize that we are really killing the goose that laid the golden egg here. The rule of law is running thin, and now the appearance of the rule of law is really running thin. That is what I think is so remarkable about the Abacus story and your coverage and the documentary coverage.

It really makes the prosecution and Cyrus Vance and his team look like thugs, which in this case they were.

Lindorff: They were thugs. You raise a point that goes more broadly than just banking. It's so hard in our American justice system now to have a jury trial. If you could get a jury trial, there is a risk. First of all, you get greatly punished for having a jury trial. If you go to a jury trial and then you're not successful and you get convicted on even one count – a minor count – the prosecutors seek and the judges give large sentences for even a minor conviction.



That is why the prosecutors put all these charges in. They don't just indict you for murder; they indict you for murder and attempted murder and manslaughter, too. In other words, they throw in things because they figure, "Maybe the jury will cut the difference and convict you on something, and then we can lock you up for life."

In minor things – not on the level of murder – they will always do multiple charges. They will do as many as they can rack up if it's going to go to a jury trial so that they can get you on something. Then you pay heavily with a high penalty.

People don't tend to opt for the jury trial, which you have a right to for serious crimes. You can have a jury trial for anything other than traffic tickets and similar. And, of course, if you have a jury trial, you have to have a good lawyer who knows how to pick a jury and the like. And it's costly.

For anybody without resources, it's just not an option. So, people do plea bargains. I don't know what the number is, but I think it's something astonishing such as only 5% of the cases go to jury trials.

Fitts: We were not allowed to have a jury trial because we were in civil court. It was civil against my company.

Lindorff: That's right, you don't have a jury with a civil trial.



Fitts: We couldn't get a jury trial, and they played all sorts of games to deny us. It was phenomenal. I think both sides have reason to worry about going to jury trial, and the expense is enormous.

Lindorff: But if you really are innocent, your chances with a halfway decent lawyer are really good of getting, at least, a hung jury. So, people should do that rather than take a plea bargain, but you can't do it if you can't afford a lawyer. Really, in most jurisdictions of this country, if you have to go with a public defender, – and this is not so much an attack on public defenders as it is an attack on the skewed system – they are so underfunded and so overworked that they can't do the job adequately in most jurisdictions.

Fitts: In my online book *Dillon Read and the Aristocracy of Stock Profits*, I describe the fact that the Department of Justice and HUD had a program called 'Operation Safe Home' and they were dropping SWAT teams into poor communities – including in the DC area – and rounding up youths and putting them in prison. That is part of what was making the prison stocks go up. They were flooding these Federal prosecutions and flooding these youngsters in, but what they did was cut off the money of DC appropriations to the offices that would defend them. They would cut the appropriations so that there wasn't any money for them to get defense. That basically helped them fill up the prisons.

Lindorff: When I was a reporter covering the Los Angeles County government, I used to cover trials and similar. One time I sat in a county courtroom just watching people be arraigned.



They were copping pleas there with the DA's, and you heard them say, "But I didn't do it." You could hear them talking with the lawyer in the courtroom.

The lawyers would say, "If you take this charge, you can walk out of here," so they would only get a fine or a suspended sentence for things that they said they didn't do. You could see the sincerity on their faces, but they didn't have any option. These were people with no resources. That's why we have two million people in jail and millions more with records so they can't get jobs.

Fitts: It's interesting. I did a great deal trying to understand the economics of that complete system. For the two million who are in prison, you have an enormous amount who are still in the system on probation or being watched. If you look at the expense of it, it's absolutely enormous. It's phenomenal.

Lindorff: Oh, yes. The numbers are falling. I've heard anywhere from \$50,000 to \$100,000 per year per prisoner.

Fitts: In 1996, the General Accounting Office did a study, and that's what I was working with. If you simply took the cost of the entire system and divided it by Federal, state, and county jails, it calculated to \$154,000 per prisoner per year. That's only for cost. It was absolutely extraordinary.

Tell us how the Abacus story ended pertaining to your participation. When was the last time you looked at them, and how did it turn out? How are the Sung's now?



Lindorff: They are great! They went to the Academy Awards because it was a nominated documentary – one of the five nominated. So, all of them – Tom, his wife, and the girls attended. There is another daughter, the oldest daughter, who is a doctor. They all went, and the entire film crew went. I didn't make the cut because they had a certain number of tickets, and it was the cameramen, and the editors, and everybody who received them instead of me. My role in it, because I had written the main pieces on the story and was able to articulate its national importance, was they had me at spots throughout the film explaining why it was significant and what was happening. So, I had a role in the documentary as the 'explainer'.

Fitts: It was very good and your coverage was very good. You could see that you had pulled out the story and keyed it up for everybody.

Lindorff: Exactly. It wasn't just the story of a small bank being prosecuted; it was a story about the corruption of the entire system.

Fitts: It was great. 'Face' is very important to the Chinese, and the Sung's now are going to have tremendous 'face'.

Lindorff: You're right and let me explain what happened. After I wrote my major piece for *Crain's New York Business*, I got a call from a community activist in Chinatown who was a friend of the Sung's. He said, "Dave, there is a monthly magazine in the Chinese language in Chinatown that I'm associated with, and they are really interested in translating the piece that you did in *Crain's* and running it. Do you think that would work?"



I called up the editor at *Crain's* and told him that this Chinese magazine wanted to run the piece, and would he release the rights for them to translate it and run it. He said, "Sure."

So, I called him back and said, "You can have it," so they ran it in Chinese. This was even before the trial ended. I was talking with Tom Sung and he said, "Thank you for that article. That gave us face in the community," because the article really explained the situation. That was for people who don't even read English, so they didn't know what the story was from the daily reporting.

The case was intensely covered by the Chinese press, but I was the only Caucasian in the courtroom.

Fitts: It's interesting because you can travel both worlds. You can communicate back and forth, and I think that is one of the things that really helped get this story told on a timely basis in a way that really helped the Sung. It was almost angelic how you showed up at just the right time.

Lindorff: It was a total coincidence and it became very ironic because now we are very good friends – the Sung and I. They are all wonderful people, and there is an option on this for a theatrical film.

Fitts: Wouldn't that be wonderful!

Lindorff: I'm arguing that Mrs. Sung should play herself. She's so good in the film; she is unbelievable. She should have her own sitcom because she's really like that.



My wife and I have had a couple of Chinese dinners with them, and right there at the table she is so funny.

With Chinese dinners there is a central Lazy Susan, and it goes around in one direction, and you're not supposed to take too much. There is a certain etiquette.

It was at this terrific specialty restaurant in Philly, in Chinatown. So, when the duck got to Tom, he took some pieces. She said, "Tom, those are for Joyce. You took the best pieces."

Fitts: I love the scene in the movie where she says, "I didn't want the girls to go in the bank!"

Lindorff: She said, "It could only be trouble."

Fitts: I recommend to everybody that this is a documentary, and it is the 'Let's Go to the Movies' movie this week on The Solari Report. It's a really heartwarming and inspiring story. So, I encourage you to watch it. It shows you the power of the law and the power when people together believe in the law and practice it. It really can stop all the corruption and it's remarkable.

Lindorff: It's also an immensely entertaining film. It's really well-done.



Fitts: The people are fun to learn about and watch and see. It is, to some extent, a Chinese version of the Jimmy Stewart story, *It's a Wonderful Life*. Of course, they use *It's a Wonderful Life* in the documentary, so it's fun.

Before we close, I just want to talk a little about your website and what you're doing with 'This Can't Be Happening' because you cover a wide breadth of things, and it's very interesting. Tell us about 'This Can't Be Happening' and what you are up to right now.

Lindorff: Thank you. A number of years ago I did a book. I had been writing columns about civil liberty threats and also writing much about the run-up to the war in Iraq and what was happening in Iraq.

A publisher suggested putting them all together and running them as a book. So, there were investigative pieces about the Bush era attacks on civil liberties and also about the complete run-up to the war. I tried to come up with a title, and my wife said, "Why don't you call it 'This Can't Be Happening' since that's what you say every morning at breakfast while you're reading the paper?"

I thought, "Wow! What a great title for a book!" So that was the title of the book. It was a small press, so I needed to promote it and I started a website. I never thought I'd do that. I called it 'This Can't Be Happening' and it was about the book and how to buy it. Then I wanted to keep people coming to it and looking at it in case they hadn't bought the book yet, so I started doing columns in that as a blog.



It experienced a considerable number of readership. Then I started feeling pressure to come up with something new each week, and I wasn't getting paid for it. I thought, "I can't keep doing this. This is too much work," so I had the idea of turning it into an actual news site. I contacted some friends who I like personally and agree with politically and whose writings and reporting I liked. So, it started with four of us, and we added a fifth. Sadly, one person died of glioma – the best writer of the lot, Chuck Young from *Rolling Stone Magazine*. Then we added another woman who is a Chinese-American radical physician lesbian woman from Seattle. So now it has five reporters. My brother, as you mentioned, is the poet in residence.

We all contribute. We edit each other's reports because we have no editors. As my friend, Chuck, said when I offered him one of the members of the collective, "No compensation and no editors. What's not to like?" He hated editors.

It's never made money. We take donations, but nobody donates. Everyone wants their news for free. It has won plenty of awards. We won six Project Censored awards, and it is 'ripped off' by many places, which we happily do. So, our circulation actually is much larger than our hits because everything we do is run by Counterpunch, which is a huge site on the left, and we get some things picked up on Common Dreams, which is a big site also.

I think that every day we are probably read by 50,000 to 100,000 people, and it's picked up globally, too.



Fitts: The thing that I like about your writing is that you can deal with complexity. I do a great deal with Dr. Joseph Farrell, and one of the things that he and I constantly talk about is the need to be able to deal with complexity. You really see this when you get into the Abacus story. It's impossible to understand it, or what it means, and see the importance of it without working through a lot of complexity to get it down and make it clear and simple. You can really get tricked if you can't deal with the complexity.

That's where I see many mistakes in the media, whether it's the corporate media or the independent media. Their desire to do something fast and quick allows for many terrible mistakes to be made.

When I look at the breadth of your reporting through your career, your ability to deal with complexity is demonstrated by your ability to speak Chinese.

Lindorff: I started out wanting to be an astronomer.

Fitts: There you go! That explains it all!

Lindorff: I was a science nerd, and I had this tutorial with my astronomy professor at Wesleyan. At the end of the year, he left right before exams, fleeing a wife who was after him with a six-gun. He left his tenured post and hid out for a couple of years. I didn't have an astronomy professor, so after dropping out for a year and driving trailer trucks, I went back to school and decided that I would study Chinese because I was in the anti-war movement. I didn't trust the media, and I thought I needed to have some other information.



I started learning Chinese and learning how to read papers. I studied at Columbia at their intensive program funded by Wesleyan, which was loaded at the time. They gave me my degree. I did some of it driving to Conn College in New London, Connecticut where they had a beautiful undergraduate Chinese program – the first in the country. So, I received my degree in Chinese language with a minor in Chinese history. I needed one more course to graduate, and the editor of a local paper, the *Middletown Press*, which was a really high-quality family-owned paper, was teaching a class. I took it, and he had us doing stories for our paper, and I just fell in love with it. I said, “Wow! This is what I want to do.”

So, I wound up going into journalism, and also knowing Chinese. It took me 20 years to get to China and be a reporter there, but I finally did it.

Fitts: Dave Lindorff, you are happening, and your work on Abacus is definitely happening. I would encourage everybody to check out your website, *This Can't Be Happening*, and I hope that you will all watch the Abacus documentary, which is in ‘Let's Go to the Movies’ this week. This is a very terrifying story in one sense, but on the other sense, it is a very heartwarming story.

Lindorff: People should make some popcorn because it really is an entertaining movie. Sit down with a date or a spouse and enjoy it; it's a very good movie, and I can say that because I didn't make it.

Fitts: It is a good movie and I think that with your work, pulling out the story early on, it made an incredible contribution to people getting onto the story and being able to cover it. It's almost as though you provided the bridge.



Lindorff: I'm glad you think that worked because that was their intent.

Fitts: I think it made an enormous contribution, and it definitely worked. Dave Lindorff, thank you for joining us on The Solari Report.

Lindorff: Thank you for having me.

Fitts: Have a great day.

MODIFICATION

Transcripts are not always verbatim. Modifications are sometimes made to improve clarity, usefulness and readability, while staying true to the original intent.

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