



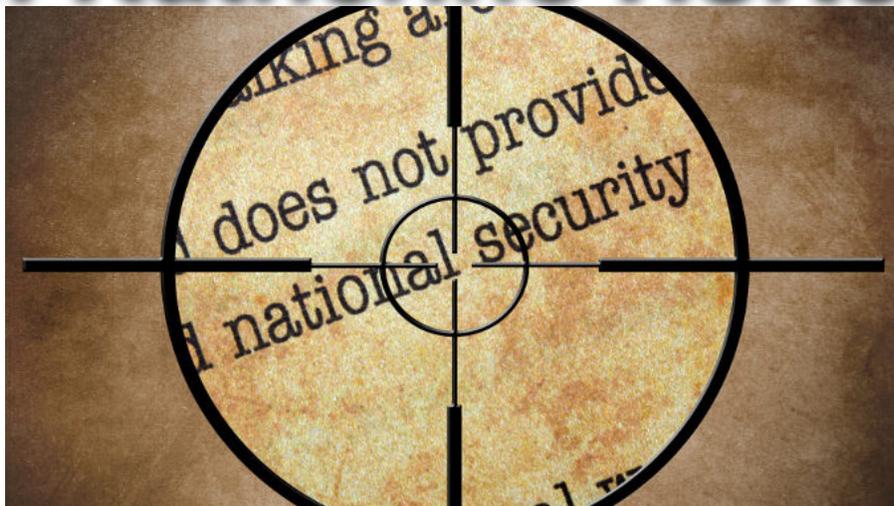
The Solari Report

November 3, 2018

The Special Investigative Series

Why Are We Financing This?

With Dr. Katherine Horton





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Dr. Katherine Horton: Hello and welcome everybody. This is a very special broadcast from my special investigative series. I am very happy to welcome Catherine Austin Fitts for a ‘mind-blowing’ interview about finance and financial regulations.

As many of you know, she was the Assistant Secretary for Housing under George Bush, and she saw firsthand what was going on in government. She uncovered the missing trillions, the black budget, and she traced it. In my book, she is the biggest brain in finance who can really tell us what is really wrong with our systems and what to do about it.

Please join me in welcoming Catherine Austin Fitts.

Catherine Austin Fitts: Dr. Horton, it’s a pleasure.

Horton: Let’s dive right into it. Can you give us a very quick summary of what happened to you and what you saw when you were working in government?



Fitts: I started as Assistant Secretary of Housing during the first Bush Administration, and then I left and started an investment bank in Washington called Hamilton Securities Group that was later hired back on a competitive contract to the Department of Housing and Urban Development.

I was part of a contractor group that was helping a group of honest government officials try to clean up the housing programs. What we ran into was that our plans to provide transparency to citizens that would help them re-engineer their money or digital technology and change, which we were doing on a private basis, or help in having the government officials run the mortgage programs of the country honestly, we were running smack-dab into the desire by the leadership to have a housing bubble that would allow them to pull a great deal of money out of the economy for a variety of purposes – let's call it 'globalization' and 'the black budget'.

The central bank and the top banks wanted to run the mortgage programs on a fraudulent basis, and we were trying to help a group of government officials run them clean. So, the two ran into each other and, as you can tell, the central bank and the bankers won.

It was a period that I call 'the financial coup' because you had a period of enormous securities fraud really engineered at the highest levels of government and central banks, and it was part of the way that globalization had hit after they created the WTO in 1995.



Think of it this way: You take an enormous amount of money out of the developed economies, and you shift it – whether you shift it into the black budget or you shift it into picking up equity cheap around the world. It was. Basically, global privatization on a ‘just do it’ method. That is another way of looking at it.

What happened to me was we were doing two things that offended. One was we were helping the government officials run the mortgage programs clean, and that couldn’t stand if you were going to have a housing bubble. The other thing that we were doing was creating software tools that would allow citizens, particular small business in a place, to understand how all the government money works in a place.

What you will find in America is that the average citizen has no idea what the sources and uses of Federal government money in their county is, and, directly or indirectly, it’s more than 50% of the money. It’s a very socialized economy, but people are remarkably ignorant.

If I am going to have any kind of democratic process or vote, then I need the kind of disclosure to understand how the money works. Otherwise, I can’t hold my representatives accountable because I don’t have the equivalent of a financial statement.

It was the work on that kind of bottom-up transparency, and I should also mention that part of our goal was to realign living systems with the financial system. As of the mid 1990’s, the financial system was really run top-down and was designed to centralize; it was not designed to produce optimal wealth.



What we realized is that if we realigned the financial system with living systems so that people could literally make money healing the environment, they can get dramatically greater wealth. The problem with that system, of course, is that it's much harder to control centrally – although now with digital technology, (the kind that you have been covering) – maybe you can do both. I think that is where they may be going with this.

Needless to say, I ended up litigating with the Federal government, squabbling with them, for an 11-year period. When that was over, I started The Solari Report because I still believe that you have to bring transparency to the money.

I want to step back and talk about the Department of Housing and Urban Development, both when I was Assistant Secretary and then when we were the lead financial advisors to HUD for several years.

If you look at the law related to the Federal Housing Administration, the FHA is a large mortgage insurance operation, and the single-family operation is required by law to be run on a self-supporting basis.

I tried to get the data necessary to do that when I was both Assistant Secretary of Housing, as well as when I was a contractor trying to help the people who worked for the Assistant Secretary of Housing. What you would discover is that the contractors controlled much of the data, and it was a real 'food fight' to get that data. That process clued me into the fact that the Federal government is not run by government employees; it is run by big contractors.



I've done plenty of work disclosing \$21 trillion that has gone missing from both the Department of Defense and HUD. It was \$20 trillion from the Department of Defense and \$1 trillion from HUD. What you will discover when you dig down is that the people who run the payment, and investment, and information systems is a combination of the big defense contractors and the big bucks. Literally, government employees are not in control of the system.

One company that we've been talking about is, when I first got to HUD, the contractor running the information and payment systems (at the time they were getting a price of \$150 million a year, which in 1989 was a lot of money) was Lockheed Martin. Lockheed Martin is about 50% the biggest contractor in the US government, and it runs huge operations throughout the US government including payment and information systems.

At the end of 2015 when \$6.5 trillion went missing, it spun, what appear to be, its government operations off into a new company. I posted something that says, "Lockheed cuts and runs."

Yesterday I went to Lockheed Martin's website and got their annual proxy statement. Their annual proxy statement is under the SEC log. The annual proxy statement is the statement that describes who is in the governance system, who is on the board, and who the lead investors are. I was interested in doing that because one of the credible whistleblowers who has talked about targeted individuals is Karen Stewart. She has had an experience identifying Lockheed and maybe you could describe it.



Horton: In 2017, Karen hired a private investigator to investigate her targeting by NSA, and the private investigator discovered that her targeting was related to Lockheed Martin, as well as the NSA, and that Lockheed Martin was running the gang stalking in 47 out of 50 states. This was the upshot, which she reported in 2017. Since then she posted a report by the private investigator, who was also retaliated against for doing this piece of work for Karen.

Fitts: It is interesting because I had gang stalking during the litigation, and there was also energy weaponry. I became convinced, based on the patterns, they were on a cost-plus contract. I won't bore you with the details, but knowing a great deal about government contracts, they were working in eight-hour shifts, and you could tell.

Somebody working on a cost-plus contract has reason to want to run the costs up as much as possible. So, my strategies all depended on blowing their budget for their cost-plus contracts. What I figured was that if I could cause them to have to go in for a reauthorization, they were not going to get the reauthorization. So, I came up with a pattern of living in four places on an unpredictable schedule that was designed entirely to blow their budget.

I think that it succeeded, but my conclusion from that was whoever was doing it, was a government contractor on a cost-plus contract.

Horton: I can confirm the eight-hour shifts because I have observed that as well. You could even tell the differences between different shifts coming on. The newbies would be particularly aggressive.



People also say that Lockheed Martin is the biggest private intelligence agency in the world, and, in fact, is bigger than the US intelligence agency. Do you think that is true?

Fitts: It would not surprise me if that were true. If you look at what Lockheed does, by definition they have to have massive intelligence. My guess is that if you look at Lockheed's basic intelligence operations, it is probably superior to almost anything in government. It depends on to what extent Lockheed has access to all the NSA databases, which I suspect it probably does.

Horton: The other thing that was revealed by Richard Lighthouse in a recent interview, is that Lockheed Martin used to own the satellite control systems, and then passed it back to Shriever Air Force Base in the 1990's. This means that they developed the technology. Once you pass your own technology to somebody else, your knowledge of it is typically superior because you developed it.

Fitts: I remember being in Australia a few years ago, and I was told that the Australian defense systems had just been turned over to Lockheed Martin. It was interesting because after 9/11, Lockheed immediately put out press releases saying that it had suddenly won the systems contract for all these retail companies, particularly ones that do Land's End and Tom's of Maine. To the victor goes the spoils, right?

My guess is that Lockheed – on the systems basis – has moved vertically around the world to globally network many of the different defense systems.



Horton: I think the first one, they sent the owners the entire Five Eyes architecture. That is what I think because Lockheed is a big player in the United Kingdom. Once you combine Australia, the UK, and the US, that is pretty much the Five Eyes' backbone.

Fitts: This gets back to the 'Ionized Sky'. Who has access? The winner in artificial intelligence is the team that has the most data. The team that has the most data is the team that ionizes the sky, which takes you back to satellites and the nanoparticles of whatever digital dust is in the spraying.

When I look at the US government, I don't look at 21 government agencies; I look at a set of information and data architecture and who has access to that information of data architecture.

Let me give you another example. One of the richest database architectures in the world is the central banks. I remember in the early 2000's I emailed and called all the 12 banks in the Federal Reserve System and said, "Who manages your data, who provides your information systems, and do your members have access to your data? What are the access policies?"

They wrote back and said that was all private information, but that is one of the richest systems.

It would be very interesting to see if Lockheed has a hand in those systems as well.



Horton: I would say, “Yes”. Once you have to scale that you are running the databases for the US government, once you are running the database systems that support the satellite systems, and once you run active, live databases that coordinate the gang stalking across the US, you must be involved.

Fitts: I will never forget talking to the reporter who had broken the sarin gas story, and then it was repressed by CBS. What she said to me was, “Look, the military controls the satellites. If you get cut off from your satellites, your business goes down. So, you are dancing on a platform that they control.”

This always comes back to the hardware. Who controls the hardware, and who can force their way on the hardware? Lockheed has a very significant role, whether it is satellite payment systems or information systems, and you don’t know to what extent they have spun some of it off you.

The reason I go back to the investors is because, as explained in one of my favorite books, *The Evolution of Cooperation* by Robert Axelrod., which informs of real solutions . He talks about the importance of accountability on a personal level. He points out that if you have true transparency – so people can tell who is doing what – you absolutely can evolve a society and an economy that evolves towards peace.

If I can do evil and still be socially respectable, then crime pays. However, if people can see that I’m doing criminal things that are harmful to other people, by and large, they will tend to shun.



So, it is exceptionally important to have disassociation between who is really doing the criminal acts, and making money doing criminal acts, and the general population.

If you look at the proxy statement for Lockheed Martin, you realize that you have a series of very prominent financial institutions, including financial institutions that go out of their way to promote, what I would call, 'ESG investing' (environmentally, socially, and governance).

Recently, the head of one of the largest investors in the world, BlackRock, wrote a letter to the CEO saying, "We have to behave responsibly. This is very important, etc."

So, there is a feedback loop that has never happened with Lockheed. If Karen's private investigator was correct, and if those allegations are correct, then the largest investors in the world are financing human torture, and there is a direct link.

I think it is time that we ask them the question: Why are you financing human torture?

Let me step back. We know that the Federal government has issued guidance. I would say that it's not legal, but it says the Department of Defense can classify projects by an unknown process by unknown people. So, they are allowed to cook their books in a secret process, and the people who cook their books can remain secret. So, that results in an infinite amount of money to do things like human torture and targeting.



We also know that the President has delegated responsibility for waiving SEC requirements to the National Security Director, which means that companies like Lockheed Martin can cook their books, and, supposedly, it's all legal now. Under the Constitution, I don't think that this is legal. Nevertheless, they have set up a process where government contractors and the government can spend an infinite amount of money on a secret basis with no accountability, which means that they absolutely can finance gang stalking and torture. They have created a financial model that will allow them to do human torture and human abuse on scale.

Horton: I would also add human murder, because the targeting is not to make the victims healthier. The goal is always, either induced suicide or forced suicide for the victims to escape the torture, or people just dying from 'injuries' and die from them directly.

Fitts: You've read my book, *Dillon Read and the Aristocracy of Stock Profits*. One of the reasons I objected to what was happening in the 1990's was because we were instituting Nazi slave labor camps in the United States. We were bringing drugs into neighborhoods, and were dropping enforcement teams in and rounding up innocent kids, and stuffing them in prison. This was the 'Eric Holder express' and it was done under the Clinton Administration.

I will never forget when one of the Deputy Assistant Secretaries said to me back in 1994, "Black people are hopeless. We've given up on them. We are moving them out, and we are bringing in Hispanics." Just like that!



Sure enough, they started ‘Operation Safe Home’ at HUD, and the Department of Justice and HUD were dropping SWAT teams, rounding up kids, and this is when they started the private prisons. So, the investors were making money. The private prison stocks were going up as they swept these kids into prison with government contracts. Then you could gentrify the community. So, the Democrats and the Republicans were both making money on the real estate. Everybody was really excited about how much money they were going to make, and here was Catherine Austin Fitts being difficult, and pointing out that slave labor camps never turned out well.

Horton: You were proven right because I think that by now, they have given up on the Hispanics. They have given up on the entirety of the US. Didn’t you quote somebody who said, “Oh, it’s too late. They have given up on the US and they are moving money out of the country.”

Fitts: Right. I think the leadership had become so frustrated with the inability to affect a financially responsible solution within the political process that they just said, “That’s it. We are pulling money out,” and they shifted to the ‘just do it’ method.

It’s what I call the ‘red button problem’ and I’ve talked a lot about the ‘red button problem’.

What had happened so far was that there was no Democratic support for financial responsibility. The problem when you are in Washington – and I saw this many times – is that everybody wants more for them.



It was impossible to craft a financially responsible solution. I think that the leadership just said, “That’s it. We give up. We’re just going to take all the money and run.”

Why spend money on nursing homes when you can pull all the money out and spend it on space?

Horton: This is absolutely breathtaking. The first big realization for people who don’t have your level of insight is to wake up to the fact that the government is an illusion, and in fact, is run by private corporations.

Fitts: There is no government.

When I first got to HUD, there was a gentleman who was in the field offices who was considered to be the smartest ‘Mandarin’. So, the SES class is a Mandarin Elite, and they are extraordinary. They are very, very smart and very capable. Bill Binney was the SES equivalent at NSA. These are just remarkable people.

Part of the reason they end up in government, as opposed to Wall Street or in private sector, is because they can play with so many things; it’s big.

So, let’s call this man ‘Sam’. Sam was said to be the smartest Mandarin at HUD, and he was; he was just amazing.



After Sam left in the early 2000's, I said to him, "There aren't any government employees who know what is going on. They are all gone, and the whole thing is being run by contractors."

He said, "No way."

I said, "I dare you to find a government employee at HUD who understands credit reform, and the budget, and these issues in the budget and the missing money."

I think at that point, there was about \$150 billion missing at HUD. So, Sam said, "I'm going to prove you wrong." As he was travelling around the country for business, he would stop and talk to people, or he would get to Washington and talk to people.

He called me and said, "Let's have dinner at Red Lobster. I'm coming through Jackson, Tennessee." So, I went to Red Lobster and we had dinner. He was mortified, and he was as white as a sheet. He said, "I could not find one person in the entire HUD system who has any idea how the money works at HUD. It's all gone. It is all controlled by contractors."

Horton: The same process that you described is typical for systems. It's called 'deep capture', and once you have deep capture by organized crime, they want to take over functioning systems from these high ability people, but then they want to remove them and replace them by clueless staff.



Fitts: It is very interesting because I said on The Solari Report about a year ago, that privatization is when I take an asset and I transfer it to the private sector at market price. So, let's say that a building is worth \$1 million. I hold an auction, and I sell it to somebody in the private sector at a competitive price of \$1 million. That is privatization.

'Piratization' is when I do an inside deal and sell it to them for \$100,000. That is 'piratization' because it's below market prices, or you transfer liabilities without getting proper compensation.

I said, "Watch. They want to 'piratize' and strip out," because they had stolen as much money as the securities fraud could bear for the moment, but there are national parks, and land, and buildings. They are going to try to steal the rest, and they are going to use 'piratization' to do it. But to do that, they have to break down the SES system.

Well, the Q-Anon op comes out, and suddenly the problem in the deep state is the SES's, and we have to destroy them. It's an aversion of the truth because the SES system, not to say that it hasn't been corrupted, but in many respects, is the one thing standing between the corporate sector that is 'licking its chops' for those assets.

I don't know if you saw that the Koch brothers donated \$25 million to Utah State University to come up with a whole new group of people. They are going to have a say over who is hired and how they are managed, and they are going to come up with all the different intellectual arguments for privatizing the national land.



What you have described is the American version of the ‘Rape of Russia’. Is it not?

Fitts: Yes.

Horton: It’s the same business plan.

Fitts: Yes, but it is going to be done at a much more sophisticated level – although the fires in California weren’t particularly sophisticated. The mind control surrounding them has been remarkable and very sophisticated.

If you look at what is happening now with the end of net neutrality and what can be done through the systems – both targeting and mind control, or just manipulation of information flows or people’s time – the ‘Rape of Russia’ can happen on a much more sophisticated invisible level. That’s not to say that it will be.

Did you hear the story of the presentation at the Aspen Institute by a man who was running for President on the Libertarian Party?

Horton: Which one was that?

Fitts: He was running for President on the Libertarian ticket and was taking anonymous bitcoin donations. I don’t know how you run for President and take anonymous bitcoin donations, but that was his story.



He gave a presentation that was one of the most remarkable things that I've ever heard. Luckily Harry Blazer was there, so he was my witness. The speech is also up on the internet.

He said, "I'm going to become President, and then by executive order I am going to shut down the US government. Then I'm going to take all the remaining assets and auction them off."

I stood up and said, "Actually, this plan was called 'The Rape of Russia'. They did it in Russia, and approximately 25 million people died."

I said, "Let me explain what is going to happen. Fifty percent or more of the income in every county in America comes directly or indirectly from the Federal government. So overnight, you are going to shut down 50% of the income flows in 3,100 counties. In those counties, people have three weeks of food, three weeks of cash, and they can go for three weeks without eating. Then after nine weeks, you are going to have die-off, which is how we get estimates of people dying in Russia. When you auction off all the assets, you are going to be able to auction them off at \$0.10 on the dollar because you are going to crash the entire economy. So, this is Goldman Sachs' 'wet dream'."

The man said, "Well, you know, it's time that we lived on less. We will create money with bitcoin, and it will all work out."



We were at the Aspen Institute and everybody was clapping. I forget what the name of the auditorium is, but it's the Koch Brothers', or Booz Allen Auditorium, or similar, and all these people are saying, "We are going to have a revolution."

I said, "We are going to have a revolution at the Booz Allen Auditorium? I don't think so."

So, Harry got up and said, "So everybody in this room whose parents, or grandparents, or family get a military pension, a social security check, Medicare, or Medicaid, we all want that to stop and go away. Is that what you are saying?"

There was a profound disassociation. They didn't seem to understand that 50% of their family's and their income was going to stop cold turkey.

Horton: When you tell the story – knowing what I know now – I would also assume that the Booz Allen Auditorium is fitted with newer technology where you are being kept in a happy, happy state, and you are entirely open to suggestions.

Fitts: I will tell you that so many people in America are used to these kinds of conversations being in the entertainment space and not being real that they don't understand. I think that what this man was doing – whether he knew it or not – was, basically, running trial balloons for the CIA, and he didn't realize it.



Horton: He did not realize it at the Aspen Institute.

Fitts: What we saw a year later after I started saying this was a real effort to go after the SES system as part of the Q-Anon app. So, the deep state is the SES system; let's tear it apart.

Pertaining to the latest reorganization proposals from the White House, you have OPM being torn apart, and I think that the military is taking back control of part of the OPM system. I don't understand the details.

There is a real messing with the infrastructure, whether it's running things by the corporate contractors, or whether it's putting the corporate contractors outside of the SEC law and the agencies.

If you have corporate contractors running agencies, and those agencies are not required to file financial statements under generally-accepted accounting principles but can classify an infinite amount of things, I'm assuming that it is the contractors who will control what gets classified and what doesn't, and then you are talking about companies that can make large amounts of money without reporting where they are getting the money under SEC law. They are basically able to force the government to print that money and give it to them for whatever they want to do.

It gets worse than that. If you look at how the missing money works, you are essentially selling Treasury securities to the pension funds, and then you are moving that money.



This is how it works: I sell a Treasury security to your pension fund; I take the money, I put it in the government, and it disappears out the back door to a private corporation who is running things on an ‘out of control basis’. Then I turn around to your pension fund, and what do you have? You no longer have a security in an entity that has that money; it has disappeared.

Now you have a security for which your beneficiaries, as taxpayers, are liable. So, you have turned an asset into a liability and you are turning the governmental mechanism into a laundry that is stealing the pension funds of America.

Horton: It is organized crime. After what you sent me about the government officials now being allowed to lie, and they do not have to declare anything or release accounts, but they are also entitled to lie to their heart’s content.

Fitts: One of the reasons this is a problem is because a major government position in Washington is very hard to say ‘no’. As a government official, it is very valuable to say, “No, I can’t do that. That is the law. There is a process, and we have to follow the process.”

When you can’t do that and there is no infrastructure to back you up, you have no ability to say ‘no’. Then things really ‘rip out of control’, which I think, more or less, is happening.



There is no real governance process. You are at the mercy of whoever has the gun. So, I think that this makes day-to-day management extremely challenging and difficult for anybody who would only like to run it efficiently. I think that it makes life in Washington-running these operations-much harder to perform excellently. It's like trying to hold up a body with no backbone; you are in a lawless situation. It's like political warlords.

Horton: With what I see on the ground, things are already much worse. You mentioned the US government running concentration camps, and what this is building up to be is a big, massive holocaust.

Fitts: I wouldn't say that they were running concentration camps, but I would say that they were running slave labor camps.

Horton: If we now add in the directed-energy weapons and the goal to kill off quite a few people as a business plan, things are definitely much worse.

Fitts: If you take GMOs, heavy schedules of vaccines, fluoride in the water, and then EMF radiation, you are essentially talking about the debasement of the immune system. Then you add in the global spraying, and you are both diminishing the immune system, and you are raising the toxicity levels.

Let me get back to investors. We have a major push, including by the head of BlackRock, for, what is called, ESG (environmental, social governance) criteria for investment. All the things that we are talking about have yet to be connected back to the investors.



My dream is that 5% of the population every year, particularly those who own securities, go to the annual meetings and say, “Why are you financing the torture of American citizens? This is a human rights issue. Why are you doing this?”

It’s time to connect the dots back to the investors.

Horton: What do you think is the quickest mechanism to connect the dots? Would it be cold cases and massive claims for damages rolling towards them?

Fitts: The first thing that you need to have is transparency. So, let me suggest things.

Everybody is different, so everybody should do what gives them energy. The first thing that you can do is-for any company that is associated with this-just as Karen hired a private investigator who tried to trace back, any time that we can trace this back to a corporate government contractor, if the contractor is publicly traded, then they file a document with the SEC. You can go to the SEC and get their documents. Usually they have it in the ‘Investor Relations’ section of their webpage.

Their annual proxy will tell you who is on the Board of Directors, and it will tell you who the lead investors are who own more than 5% or 10% of the company. Then if you buy a share, you can proceed to go to the annual meeting and can ask questions. You can stand up and say, “Why are you doing this?”



You can write a letter to the Head of Investor Relations, or you can write a letter to all the board members: “Why are you doing this?” Simply bring transparency to it and that is one thing you can do.

You can also ask those investors – because many of the investors who will own shares in Lockheed Martin also have massive investments in Treasury securities – “There is \$21 trillion missing from the US government. You are a major dealer in Treasury securities. Why are you not asking questions? Why are you not doing anything?”

Horton: Do they have a legal liability to inquire if there is any fund mishandling?

Fitts: Absolutely, but there is also a tremendous conflict of interest. “Why are you financing this contractor running the payment systems in a way that is disappearing money when you have a fiduciary obligation as an investor for these Treasury securities?”

Horton: This is actually a concern that I would like you to address: Lockheed is running the databases and the payment systems for the US government, and you have this huge black budget.

Fitts: Remember that they were running big systems at DOD until they spun them out. I think they spun that division off after 2015, but I don’t know the details.

For many years I was working with a reporter from *Insight Magazine* who was doing stories on the missing money, and she kept asking for the contracts –



both from DOD and from the General Accounting Office. No one would respond.

I don't know if you've ever seen the famous video of Cynthia McKinney demanding the contracts, but that is what they would sit on. They don't want you to know corporate responsibility.

Horton: So, based on your insight, who do you think is the most likely offender? Is it Lockheed that is running that system?

Fitts: Simply because Lockheed is so huge, and because of the report that Karen received, I think that Lockheed is one that you want to look at.

One of the companies that I brought plenty of transparency to that I thought was so important during my litigation was DynCorp. I think that DynCorp – for a variety of reasons – is certainly worth looking at in great detail.

Anybody who has big information systems or responsibilities – IBM, of course, because they did the holocaust databases, but my understanding is that they are one of the lead contractors on smart meters, as well as on the census.

Horton: That is 'mind-blowing'.

Fitts: One of my concerns is the census being used to create the perfect database of everybody and everything –



– all businesses, all people, all homes. If you are paying the same contractor for doing the software in the smart meters, smart appliances, smart grid, how does that dovetail with 5G?

The other one that I would look at very, very closely is AT&T. I had multiple experiences with AT&T – both when I was at Hamilton Securities, and since then. I would look at them very, very closely.

I would look at AT&T very closely; I would look at IBM very closely; I would look at Lockheed Martin very closely; I would look at DynCorp very closely.

It's rather easy to get a list of the top hundred government contractors and what agencies they work for. I think that a lot is classified, so I think that the most interesting things are happening in all these secret budgets and classified projects, but I think that we know enough about who is who and what they are doing, so that we can start asking these questions.

Horton: I had another question. We discussed who is maintaining the database systems. The question is: Do you have any insight into whom the missing trillions might have gone? Would that be Lockheed as the recipient and as the contractor as well? They are, on one hand, running the database systems of the entire US government, and at the same time, are also one of the major contractors in other areas. So, would they have been recipients?

Fitts: Let's stop for a moment talking about the defense contractors who are running the hardware, and let's talk about the banks.



It's like Istanbul: Everybody going to or from the Silk Road has to go through Istanbul, and the New York Fed is, basically, Istanbul in the financial system, if you will.

One of my favorite stories about the financial system is when I interviewed Helen Chaitman, who was at Madoff as a very successful New York attorney. She is a brilliant woman. She had been a Madoff victim, and her business had slowed down at the same time that Madoff went down.

She started to assist all the victims just to help, and suddenly, she found herself being one of the lead attorneys litigating against Madoff and the trustee on behalf of the victims.

I was interviewing her for The Solari Report. We were in the middle of the interview, and she was describing the fact that Madoff had two businesses in the 1990's – one was a brokerage business, and one was the investment advisory. That is where the \$60+ billion had gone through and disappeared.

They had one bank account at JP Morgan Chase. I asked, who was the securities custodian. She said there was none because no one ever bought any securities, so there was no custodian.

I said, "Wait a minute. \$60 billion went into this one bank account, and it never went out to buy securities? Helen, JP Morgan Chase was the senior partner." They knew, under the law, if something wrong is going on under the Bank Secrecy Act, you are responsible to know your customer, and in a situation like that you are responsible to shut that down.



If JP Morgan Chase didn't shut it down, it was because they were the senior partner.

So, you have at the 'train tracks', whether it's the payment systems, or the transaction systems, and the banking systems, the US Fed is the depository for the US government. That means that all the transactions aggregate and go through the Fed member banks and, ultimately, through the New York Fed. So, they see everything. If you have access to that data, you can see everything.

One Wall Street fellow who insisted on Mexican bailouts, said that the money had never left JP Morgan Chase because you had the IMF paying the money for the Mexican bailouts, and it only went to other creditors within the JP Morgan system, and it never went to Mexico.

At the top, whether it's the defense contractors running the payment systems or banks running the transaction systems, they have a very tight control.

One reporter who was trying to understand narcotics trafficking had lunch in the 1990's with a very senior man from the DEA who said, "Look, all the wire transfers batch and go through the New York Fed. They know where every dime is."

Horton: In other words, people were genuinely trying to find out where the missing trillions went and how to get it back. How would you get this data as a member of the government? Would you have to subpoena the information?



Fitts: Theoretically the banks are responsible to have all the data or the defense contractors are responsible to have all the data. Now there are questions of how many years and how long they keep the data.

I would note that after Dr. Skidmore published his report on the missing money being up to \$18 trillion at that point, it was reported a week or two later that there was a fire at the New York Fed. There were 100 firetrucks on Wall Street because a fire had started on the roof because somebody on a Saturday night – according to one report - was apparently using a fireplace in the basement of the building, and it was very old and hadn't been used for a long time. What a coincidence!

So, those records are supposed to be there. If they are not there and they are supposed to be there, those institutions are liable.

I would say that whatever the amount of money that is missing from the Federal government, the New York Fed, and those defense contractors, they are liable if they intentionally executed illegal transactions, which they clearly did. Now that we have created the laws that say, “In the future, all those transactions are legal,” by some mysterious process, which is in violation of all the financial management laws. We are now in ‘never-neverland’.

So, in getting back to what we can do, I think that every person who has retirement savings in the United States or in Europe can start to ask questions about why our financial institutions —————



—— and pension funds are buying securities when the money may be disappearing out the back door, and there is not an acceptable standard of financial accountability.

If I am a citizen, but I am also a pension fund beneficiary, my pension fund is being used to turn my actual savings into an empty shell liability for which I, as a taxpayer, am responsible.

I have the ability to talk to my pension funds. I have the ability to talk to any investor who is managing or investing in any of these securities.

If you consider Lockheed Martin, if they are buying shares of Lockheed Martin and they are buying Treasury securities, you have a situation where we are profoundly disassociated from where our own personal money is going and what it is doing, and we have the power to bring transparency to that and ask questions.

Every person listening or reading this, if you are in a pension fund, if you have savings that are invested in any of these things, you have the power to ask questions. Whether investing in Treasuries is responsible, given the missing money, or whether it's complicity and targeted individuals or other operations, you have the ability to ask questions of the investment community.

This has rarely been brought up to the investment community, and it is a very appropriate time to do it. The reason is that, right now, the investment community is making a push for environmental, socially responsible, and governance (ESG) criteria.



They are making a big push to prove that corporations can be responsible to act as productive citizens. That is the perfect time to ask the question as to whether human torture is responsible behavior for a corporation.

Horton: Something that Karen Stewart was also publicizing is that it is one thing to make laws and declare illegal activity and organized crime to be legal, but it has already been tested in the Supreme Court. I think that it was the case of *Marbury vs. Madison* where it said any law that contradicts the Constitution is null and void. This is what it all goes back to. So, you can't just make it up as you go along; it has to agree with the Constitution. If you come up with something egregious that doesn't agree, it is null and void.

Fitts: I believe that the Federal Accounting Standards Advisory Board policy is null and void. I don't think that a policy advisory board has the authority to approve a structural re-engineering of the US Constitution and all the financial management laws. That is a very clever Masonic trick, but it's not legal. It sounds great, but it's not legal.

The problem, though, from the standpoint of the people who are running things, is that they now have a system where the economic model is not sustainable. They are running an official reality, and then they are running reality. They are pouring money into covert operations, and they want to keep it secret.

The big issue here is not: How does the money work? The big issue here is: Why are so many of our operations secret, and how do we bring transparency to them?



Horton: Regarding transparency, Karen Stewart also publicized that it is the case that it is unlawful to classify something to cover up crime. It is absolutely not allowed to use classification to cover up wrongdoing. As soon as we have a reason to believe or evidence that there is actually organized crime taking place behind the scenes, there is the torture of Americans by Americans, or government contractors like Lockheed Martin taking place. Classification can be lifted because in that case, classification is being used to cover up, not only organized crime, but crimes against humanity. Especially in the case of crimes against humanity, you can take drastic measures to stop that.

I think that now is the time to actually take these drastic measures.

Fitts: If 5% of American citizens simply ask the questions of their banks that are buying Treasury securities: Why are you buying Treasury securities when \$21 trillion is missing and the Federal government refuses to comply with the laws for financial disclosure?

So ask: 1) Why are your banks participating? 2) Why are your pension funds fundamentally laundering your savings out through the government back door?

Ask the board of directors and CEOs of every corporation or bank involved, whether it's JP Morgan Chase, or Lockheed Martin, or any of these companies. Certainly, if you look at what happened on the bailouts and the writing of securities mortgage fraud, it is highly centralized.

We have had the power all along to do that, and we are not doing that.



I was at a conference in Italy where the focus of the conference was bringing peace. I said, “You have half the power to enforce peace now. Just start asking every investor and bank in this country why they are financing war, and how do you stop it?”

Most of the people there expressed the fact that they were, basically, too scared to do that.

Horton: This is where we need strength in numbers. I understand that very well as someone who is being targeted viciously. I completely know the consequences of asking even the most benign questions.

You said earlier that now the economic model is no longer sustainable. I would say that by now we are at the stage where it’s not survivable for much longer unless you really take drastic measures.

Fitts: No system can operate without law. So, what we are watching is: With the changes from the Federal Accounting Standards Advisory Board, a complete breakdown of the law. What we are saying is that a group of secret people by secret process can finance whatever they want, and as they finance it, we are liable because they are issuing securities from which an American citizen is liable. Moreover, it is floating around in a global system whereby the complete global financial system is dependent on it.

So, you have zero accountability, zero disclosure, maximum secrecy, and a system which is essentially out of control; it is lawless. That can’t last forever. So, the question is: What do we do about it?



I believe we have to bring the law. You start by holding a whole world of people accountable to look at, understand, and discuss what is going on.

In other words, we can't change this without a change in consciousness. I think it is very important that the investment community face their complicity in what is happening. I think the environmental, socially responsible, and governance standards give you an opportunity to do that.

Let me talk in defense of the people who have tried to keep everything secret. If you go back and study the history of people deciding, "No, we are going to keep everything secret," they are very afraid that the average person can't cope with the truth. They really are afraid of it. The other thing is that having kept everything so secret since the end of World War II, they are terrified of the liability issues if the truth comes out, and there are legitimate concerns there.

So, it's not so simple to just say, "Okay, let's make everything transparent." I will tell you that, given where things are going, whatever the horrible ramifications of making things transparent is, it is better than not. The reality is that we cannot solve the problem by saying that all the people in the system are bad. If you look at the complicity of the general population, we are all complicit.

I think you know my red button story. In the summer of 2000, 99 out of 100 spiritually-evolved people did not want to push the red button and stop hard narcotics trafficking in their neighborhood tomorrow because it would raise their taxes.



Horton: I think that these people need to be told that unless they press the red button and unless they take some hits – at least rearrange their investment and life choices – they will not necessarily survive long. If they do, their children will end up severely and genetically damaged. This I can say with 100% confidence because they have pre-sampled the new 5G system, and it is damaging DNA and health. In the case of young people, especially young children, it is irreparable.

Fitts: You have to decide between freedom and convenience. Do you want life to be free, or do you want life to be convenient?

Horton: This is a very complex question. If I had to summarize it in my own understanding of what you just described – and you know that I am a physicist and a systems analyst – it is exactly deep capture by organized crime.

Fitts: Yes, but it's not just the government; it's every human being.

Horton: It is every layer of society.

Fitts: What I discovered during my eleven years of litigating with the Federal government is that it was my neighbors, my family, and everyone. Everyone was networked and everyone was incentivized.

What you see most people faced with is: Do I do what is responsible for my wife and my children in the next year, or do I object to this and it is going to be a Pyrrhic victory?



You are constantly being asked to choose between a Pyrrhic victory and the well-being of your family, and people feel a serious fiduciary obligation to their family. They also feel that they don't want to betray their family in a way that won't really bring change or do any good. That is why the most important thing is transparency because we need to see what is occurring, and we need to be able to find each other and talk about it.

We need to understand that the big secret at the bottom of all this is: The reason you can push the red button and stop our dependency on organized crime is because our dependency on organized crime is making us weaker. It is destroying productivity, it is shrinking the pie, and there is a way to turn that around. I call it 'turning the red button green'.

There is a way to make money pushing the red button because, ultimately, a society is healthier and stronger. We are destroying the health of our economy with narco dollars. We are primarily destroying our economic health the same way that we are destroying our physical health. So, there is absolutely a way.

If we were free to reoptimize government investment and government money without secrecy, you can significantly increase wealth on planet Earth, but the problem is that it is very hard to centrally control it. That brings us back to the question of: Who is really in charge, and why are they behaving the way that they are behaving?

That is a question that I have never been able to answer. I have spent my entire life trying to answer that question, and I can't answer it.



Horton: I think that is very telltale of a feedback mechanism where they tie each other into strategy and then feel they can't step out. If we feel that we can't press the red button, they will feel even less they have the ability to do that because things usually are very intense at the top. If we feel the pressure down on the street level, they will be tied in even tighter.

Fitts: Look at the story of the crucifixion: The crowd voted for the criminal. Pontius Pilate knew that crucifixion was bad politics and he didn't want to do it. He was looking for a way out, but the crowd voted for the criminal.

My experience with people at the top is that they constantly have the rug pulled out from under them by the general population who will always vote for the criminal because the criminal will give them more money.

That is why you have to look at this as a 360-degree ecosystem, and everybody has to be held responsible.

If I am highly ethical in my life but I'm making a fortune on Lockheed stock and saying, "I am really ethical," and, "I don't know about that," you have made it your business not to know.

Horton: Based on what I have researched, there is no real incentive to cycle out of organized crime because the business plans that they are running in Europe and the US will seriously damage the health of the vast majority of the population in a way that they cannot protect themselves.



You cannot block out cell tower radiation, or Wi-Fi, or even the satellite-based energy devices and they are hitting us all.

Fitts: I would say it in another way: Our society is entering a period where there is clearly an effort to prototype every gradation from 100% robot to 100% human and everything in the middle – from a robotic-like human to a human-like robot – and the labor systems are being redesigned so that you can manage robots and humans in the same set of legal and financial systems. Clearly, the people at the top are trying to figure out what the optimal mix of labor is between 100% robot and 100% human. That means that we are going into a world where the human race is being returned to overt slavery. With mind control, they are not as aware of that.

So, I would say that this is a very propitious time to eject.

Horton: Maybe the last chance we have.

Fitts: As I told you earlier, I thought that it was an emergency in 1990. It took a while, but I have calmed down, and I look at the situation spiritually. Ultimately, I think that the current effort – whether it's the ionization of the sky or the integration of robots into the human labor system – is fundamentally too spiritually evil to survive, so I don't think that it is going to work.

I don't underestimate the harm that can be done while that tsunami runs through our society.



Horton: This is exactly the point where people have to think: Do they really want to find out how pernicious and evil it can get?

Fitts: Here is the issue: Every person listening or reading this report is financing this. You are banking at a bank that is buying the Treasury securities that is financing this, whether it is paying Lockheed's contract, or financing the black budget, or financing the targeted individuals, or financing NSA. Every one of us is financing this at our bank, at our brokerage account, or at our pension fund. And every one of us has the ability to ask the questions of the governance structures of our bank, of our pension fund system, and of the different companies involved.

Every one of us has the ability through our questions to change this in dramatically positive ways. The question is: Why aren't we doing it?

Horton: What I also take away from this is that it sounds like there was the red button option, but now you have described ways where you don't even have to press the red button; you just have to press the buttons of your pension fund manager.

Fitts: You don't have to press the red button; you just have to turn on the lights.

Horton: That's right.



Fitts: We are doing this together. It's like an orchestra playing in the dark. The first thing that we need to do is turn on the lights. Then we can look at each other and say, "Why are we doing this?"

It's like a room full of people who are doing the waltz. We can't, one by one, change to the tango. We have to turn on the lights and say, "If we are looking at what we are doing with this waltz, how about if we tango instead?"

So there needs to be a conversation at a much wider level. Just turn on the lights.

Part of turning on the lights is saying, "We don't have to do this. There is another way. In fact, that way produces far more wealth."

Destroying our human capital, destroying our intellectual capital, destroying our society, and destroying our culture may not be the most profitable way to build a wealthy future. Let's talk about this.

Just turn on the lights and raise the vibration level. Open your mind to the possibility. We are willing for things to work out; we are willing to have a human future; we are willing to not be destroyed by artificial intelligence. We are "willing".

Horton: Do you think that if the message gets out we can have a serious change by Christmas? We have six or seven weeks until Christmas and can we get the message out? We can call our contacts and say, "Listen, my wish for Christmas this year is that you call up your pension fund manager and ask them the following questions."



My task now is to really query the victims and try to pull out all the companies that they have detected of being involved.

Fitts: I would pull out all the companies, and then I would pull out all their proxy statements. I would say that we all buy a share and start going to their meetings and start asking questions.

Horton: That is what I wish for Christmas. I only want one share of Lockheed Martin so that I can go to their meeting and ask questions.

Fitts: Before you go, write letters to the board members and post it so that they can't keep you out of the meeting. We can talk a little more about strategy, but that is why I think we have to identify every publicly traded stock that is involved in these activities.

So much of this depends on secrecy. That is why, if you reverse the secrecy, there is a chance to really shift this.

Horton: I think that this was probably one of the scariest and, at the same time, one of the most motivating interviews that I have had. It is a real eye-opener. I think that you, as a financial expert, completely underestimate the ignorance that even educated people have about the financial system.

Fitts: Here is my message: Anyone can understand the financial system if they want to. It is essential because it is part of the energy system.



The financial system is just a way for humans to trade their energy through time and space. Anybody can understand it. If you look at the targeted individuals, they are all exceptionally intelligent, but they think they are not interested in the financial system because, “We don’t want to know anything about those horrible people over there.”

Money is a great mapping tool. It’s a way of mapping out what is really happening in society. It is a way of mapping reality. So much of this is engineered through the financial system.

Mind control, to a certain extent, is replacing the financial system as a control system, but it is still a very important control system. Anybody can understand it. If we bother to understand it and then integrate accountability into the financial system, that is where you get the power to change things.

We recently had one of the people interested in the Secret Space Program do a series. There is a squabble over trademarks and copyrights in the Secret Space Program world, and the team was trying to trademark it, but I don’t know if they are still trying to trademark it or not. Apparently, they were trying to trademark ‘SSP’ which is the acronym used for the Secret Space Program.

The people who had done that for many years had been promoted on Gaia TV. So, I went to Gaia’s website and pulled up their proxies and looked at who is financing them, and sent it out to the group. . I said, “Don’t worry about these guys. Let’s talk about who is really financing this, and why are they financing it?”



There were many of the big investors. There is BlackRock, there is Fidelity, and there is Ariel Investments, who had George Lucas's wife. I think that she was chairman or had a senior position at DreamWorks, as well. So, they are financing this – what I believe is Secret Space Program disinformation.

Why are they doing that? Because they don't want the real information to come out. They are running big Treasury securities operations. They own a great deal of Lockheed Martin stock, etc.

This is the kind of accountability where the dots have to be connected. So, my attitude is: If you are a targeted individual, if you are being tortured, this is a significant pathway to relief if enough of us do it.

Horton: Thank you, Catherine. This was an eye-opener. It was an education, and an eye-opener, and motivation all rolled up in one. I have been looking at this, and I don't know enough about finance and the mechanisms.

Sometimes for many targeted individuals, it comes down to the basic information sources. We don't even know where to look, but for you, it is obvious. You can point us to the right databases to query. And you are right: If all the victims do that as a matter of routine, and we investigate who is doing it and snap out of this 'helplessness' – all of us – and think, "We can take it back. They don't have the right to do this."



Fitts: The people who are doing this are being paid to do it, which means that they are being financed, so follow the money.

On my Twitter feed this week I put out one of my favorite quotes. Eric Ambler says, “I don’t want to know who shot the bullet; I want to know who paid for the bullet.”

Horton: That is exactly right. This was an absolutely fascinating interview and thank you very much. I think that everyone who was listening or reading, it is our duty to take the advice from Catherine Austin Fitts. Go out, and investigate and find out who is doing this.

Fitts: Who is doing this?; who is financing them?; and how does the money work?



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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