



The Solari Report

August 15, 2019

Deep State Tactics 101 Part IV





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C. Austin Fitts: Hello and welcome to The Solari Report. Today is August 15, 2019, and this is Catherine Austin Fitts. I am delighted that you could join me today.

The topic I will be discussing is **Deep State Tactics 101, Part IV**. We will be covering **Control Files, Financial, and Personnel Benefits**. If you haven't listened to Parts I, II, and III, I recommend that you do so. You can find the outline for the full series and the commentary on the Solari website, and you can see where the pieces fit in.

In Part I we covered:

- I. Introduction
- II. Solari Report Resources
- III. Control System Goals
- IV. Tactics by Areas
 - A. Faith, Hope, & Love
 - B. Health

Part II covered:

- C. Communication/Surveillance
- D. Mind Control



Part III covered:

E. Social Prestige/Brand

F. Media

We are in the middle of **'Tactics by Areas'**. So, if you haven't listened to Parts I, II, or III, you can listen to the audio or, of course, read the transcript. I encourage you to look at the full outline and make sure that you digest I, II, and III before diving into Part IV.

I started to do this series as part of the **'Missing Money Personal History'** in *The Real Game of Missing Money*, and then I realized that this is too long to include in the piece, so I decided to separate it and do a separate series. That, of course, is what we are doing.

So let's dive in:

G. Control Files

H. Personnel Benefits

I. Financial

I'm going to do **Financial** out of order and do it ahead of **Personnel Benefits**. So, first is **Control Files**, then **Financial**, and next **Personnel Benefits**. For **Control Files**, this is a perfect time to discuss it with the Epstein case front and center. Of course, Epstein was mysteriously reported dead recently.



In **Financial**, I want to cover both the control manipulations of both individuals, but then look at ecosystems, including jurisdictions, companies, and neighborhoods. We all are dealing with financial incentives and alignments individually, but we are functioning in ecosystems which are engineered to have certain financial systems that direct people in different ways. So, I want to talk about both individuals and ecosystems.

Then for **Personnel Benefits**, both the overt and covert side.

G. Control Files.

I did a commentary on **Control Files** in 2012 at the same time that I did an interview with Nick Bryant about his book on the Franklin cover-up. I would like to read it to you. You can link to it from our commentary for this Solari Report. This was July 29, 2012, approximately seven years ago:

A ‘control file’ is a private record that contains secret information or pictures that are the basis of threatening and blackmailing a person. Perhaps the most famous historical example of control files were the ‘dirty pictures’ that J. Edgar Hoover, former head of the FBI, was said to maintain.

A control file is an important tool of gathering and exercising power. Control files are often used to command loyalty and obedience from the people who manage government, sit in the courts, lead enterprises and direct financial transactions. Control files supersede both law and economics. They are an essential building block of ‘managed markets’ – whether it is the bubbling of the mortgage markets, trillions in collateral fraud, or interest rates that fall to zero.



If ‘Mr. Global’ (my nickname for the powers that be that run the world and the committee that runs the planet) has a control file chock full of dirty pictures and criminal liabilities, then the subject of that file is likely to do whatever Mr. Global says. You and I can lobby a politician, file endless case law in support of our motion before a judge, or explain the prudent man rule and fiduciary principles to a pension manager until we are ‘blue in the face’. It will be to no avail. They will follow the direction of the person or organization that controls them through their control files.

At this point I would like tell you a story. When I was litigating with the Department of Justice, we had a judge who was the former CIA General Counsel who was ‘a piece of work’. At one point we were arguing jurisdiction. We were saying that a new lawsuit needed to be moved to the district court, and we had, not only the law and case law, but a recent Supreme Court case on point. The judge ruled against us.

My lawyer, with his voice cracking, said, “But your honor, you have to do it. It’s the law.”

The judge said, “I disagree with the law. If you have a problem with that, take it up with Congress.”

His control file was stalking, in my opinion.



Continuing the article:

From Mr. Global's point of view, control files are economic. For example, take the \$4 trillion that disappeared from the US government from fiscal 1998-2002. Let's say you need 100 people in the payment and systems areas in the US government senior service, and their accounting systems and banking firms to engineer this move and the related agency securities fraud. Which is cheaper? Arranging control files and a few 'accidents' or cutting them in for a percentage of the profits?

If you want to use your time and money effectively in this world, you are well served to understand the existence and power of control files. This includes understanding one of the primary methods used to create control files – sexual entrapment and addiction. Which means, understanding the most powerful and profitable dirty picture of all – pedophilia.

If you have pictures of family men having sex with a child, they are yours for life. Such people can and will help you engineer the theft of trillions for modest compensation. You control them. They are slaves who are all the more effective as their slavery is invisible. It is secret. No one – not even their closest friends and family – can see who their real bosses are and where their true loyalties lie. No one can fathom that a bank CEO or a senator is, in fact, a slave.



The organized, systemic use of pedophilia is far more common today and throughout history than most people can fathom. In part, this is because understanding pedophilia traditions requires understanding the mind control techniques sometimes involved and the resulting amnesia and denial these techniques create. In part, it is because it is unpleasant to face what we do not know. No one likes to be the pesty-the naïve guy who was not ‘in the know’.

We are dealing in a world increasingly run by databanks of control files. As satellites and drones fan out over our skies, traffic and security cameras go up on streets and buildings, and telephone calls are recorded and mined with artificial intelligence, we are well served to appreciate the increasing power and importance of the control file system.

That was me on July 29, 2012 as I interviewed Nick Bryant who wrote one of the good books on the Franklin cover-up. The first one was written by John DeCamp.

The Franklin cover-up is an example of a control file operation that has been well-documented, and it is one worth diving into to understand the phenomena.

Our ‘Blast from the Past’ on our Solari Report this week is going to be our Solari Report interview with Jon Rappoport on pedophilia. At the time, I published with it the movie, *Finders*, which was produced and directed by a Solari Report subscriber. It was her first movie as a director. It’s an excellent movie to help understand the control file phenomena and the control phenomena because control goes well beyond only control files.



That movie is part of the commentary. In addition, I put together a wealth of links on pedophilia and control file operations, including those for the Franklin cover-up. There is a documentary about the Franklin cover-up.

If you go through that earlier Solari Report, you will find excellent background and material that will help you understand the control file phenomena.

One thing to understand is that pedophilia and control files and mind control are centuries-old phenomena, but they have changed and morphed and developed in an incredibly powerful way as a result of digital technology and telecommunications. We know that if you listen to the Bill Binney interview and watch the documentary about Binney, *The Good American* by Friedrich Moser, you have the NSA for decades collecting up all telephone calls, all communications, and being able to aggregate them in powerful ways.

When you combine concrete operations in the real world with the power of digital systems, you are taking control files to a whole new level. Epstein is a perfect example. My high-octane speculation, as you probably know, is that when a decision was made to engineer a financial coup d'état and money started leaving the Federal government in the fall of 1997 in large amounts, immediately prior to that time the Clinton Foundation and Epstein's operation had been capitalized – I believe – from HUD and was created to help launder the financial coup money.

It appears to me that Epstein was doing laundering before, but I think that the step-up of the financial coup took it to a whole new level.



The reality is that if you are going to launder that much money, you have to rope in allies, countries, and sovereign nations around the world. I believe that the Clintons were responsible for networking and leading and governing the laundry. Epstein was laundering operations and control files. It wouldn't surprise me if one of the reasons they wanted to cancel the HUD loan sales was because they wanted to use the defaulted mortgages coming into FHA and HUD daily, and move it out and have someone like Epstein and his operation liquidate it as part of the laundry.

Now that the financial coup is over – and this is what I warned starting in 2015-2016 – there is a large number of highly wealthy, powerful people - there are thousands who are now expendable; you don't need them. You don't need thousands of lawyers and bankers doing fraud; you don't need them. If you didn't need them last year when FASAB 56 was created in October 2018, it took that consolidation to a whole new level. Now it means that you don't need to pad F-35 purchases, you don't need Epstein, you don't need Hollywood players like Weinstein.

So here is the most important thing to understand about control files and control operations:

One, you have a control file whether you know it or not. What is in your control file? It's everything you've ever said on the phone; everything you've ever said or done in front of one of the digital flat screen TVs; anything you've ever said and done in front of your smart phones or your computers or your tablets or any device that is tracked like one of the Amazon devices; the Alexa.



So in a digital world, it's basically surveillance capitalism, and it has been tracking everything you've said or done.

For example, if you've discussed the fact that you are going to buy precious metals with cash because you don't intend to pay taxes on them; guess what? You should conclude that is in your control file.

It probably includes everything you've done walking down the street or in a hotel room that can make you look bad. You have to assume that it was picked up by a surveillance camera or the cameras in your hotels. They can see you through the digital TV screen. This is also going to apply to your spouse or your children.

Add to that the fact that all these things – whether in a hotel, a street, or in your home with these various devices – can be cut and reengineered out of context to make you look bad, whether it's to make you look like you are breaking a law or to make it look like you did something highly unethical.

There could be different goals. The goals of using that data or information could be to destroy your marriage, destroy your relationship with a child or children, get you fired, destroy your political or civic effectiveness, turn your neighbors against you, and it goes on and on. I've seen some of that used in political campaigns to stop a Kennedy from winning or to get somebody in trouble on their job.

If you want a really chilling experience, watch the documentary, *Terms & Conditions May Apply*. It's an example of how Facebook arbitrarily changed the settings so that if you had a private page, they made it public. It tells the story of a woman who lost her job, was fired, and lost friends as a result of Facebook taking a private page and making it public.



So, who is the person who creates and maintains your control file? In the current age, believe it or not, it's you.

I tell the story of the time at Hamilton Securities when my CFO wanted to create a personnel system. I said, "No way!" This was in 1993 or 1994. I said, "When we have everybody do their write-up for the bonus, we will have them do something in HTML on the internet, and then we will connect it together. That will be our personnel system. So when Facebook first came out, I said, "I know what this is."

We started a data-servicing company to create data-servicing businesses in low-income communities to generate jobs and income. So, I learned a lot about data-servicing. We did significant research on where the data-servicing demand was coming from and what was expected. Sure enough, on the welfare bill alone the estimate was that the government would need another \$6 billion of data servicing in the next five years just collecting data on all of us.

It was rather clear that this was going to be unacceptably expensive to maintain files on 325 million Americans and 7 billion people globally because that is where they were going. As soon as Facebook, Google, and the online systems came out, I said, "Oh, they are going to have people maintain their own personnel files and their own surveillance files."

You are maintaining your control file. If you have a Facebook page, you are updating and maintaining your control file. If you are using Google and certain online systems, you are doing the same thing. You need to know that. If you agree to the terms and conditions of a digital flat-screen TV, you are agreeing for that data to be collected on you.



We certainly know that the NSA is collecting all the phone and communication thanks to Snowden and Bill Binney.

I often had allies tell me that I was ‘all wet’ about this. They would say, “They don’t possibly have enough people to do surveillance on 325 million people, let alone 7 billion.”

I said, “You clearly don’t understand AI and software.”

A couple of years ago on The Solari Report, we had an excellent movie. It was the movie of the year called *The Lives of Others* about a surveillance operation in East Germany. It’s the Stasi surveillance team. It’s really worth watching to get a sense of what surveillance is like.

I said, “Look, with AI and software, you can have 24/7 Stasi teams on every person in America.”

We now have the growth of companies whose job is only to create software to plow through all these extraordinary databases to find enforcement actions and to find a way for enforcement agencies to make money finding in all this wealth of digital databases examples of citizens who are breaking the law. Given the complexity of the law, they may be breaking laws they don’t even realize exist.

I’m not saying this to make you paranoid or to shut you up, but I want you to start removing from your home and your person everything that gives the digital Stasi access to you.

Don’t have NEST; don’t have Wi-Fi; don’t have Amazon Alexa; don’t have kitchen equipment that is online. I recently bought a stove that has no digital anything in it, and it’s wonderful.



My smartphone goes in a little fabric Faraday cage. When I'm in Hickory Valley, I keep it in the car and I need it when I travel. Even when I travel, it's in the fabric Faraday cage, and it's turned off. It can listen to you even if it's turned off. So, please get a piece of equipment that keeps it under wraps unless you really need it. Opt out of smart meters if you can. Don't have a digital flat screen TV, and if you don't need a TV, get rid of it. Use a hardwire instead of Wi-Fi.

There are many things that you can do to dramatically reduce the access you provide to the surveillance capitalists. You don't need to live in the *Truman Show*, and you can certainly radically diminish it.

Get these things out of your life because you are filling up your control file. That control file is not just data to harvest and control you; it's data that can be used to take your business and your relationships away from you.

The people who ultimately control this data are the equivalent of transnational organized crime, and they operate above the law. So please don't do or say anything in front of any digital Stasi equipment that could be interpreted as breaking the law.

Part of this means that you also do not want to invite into your presence and into your life and into your business, anyone who could or would make money as a snitch bearing false witness. Lying snitches and faked, edited digital content can create a lethal combination. I know because I've had to manage them.

Yes, you have a control file, but you can empty it out over time, and you can certainly age what is in it.



Let's consider the practical 'nuts and bolts'. For most men and some women, your biggest problem as a practical matter is pornography. You have probably gotten addicted through entrainment. The danger is that they move you into underage actors, and then they have you on a criminal charge. So if you want to watch porn, if there is any way that you can use DVDs without a digital TV screen, you can get a monitor without a digital screen that gives somebody permission to watch what you are watching or to watch you watching it.

There is no sense in allowing yourself to be recorded by people who want to control you. So if you want to watch porn, there are probably ways to access it that don't have entrainment and that will protect you from being watched while you are watching it. Don't provide much documentation of what you are doing and what you are up to.

Even if you are perfect online, there is a problem. If you look at the effort to falsify and set Bill Binney up, and if you look at the same effort for me, and if you look at what was done to Ross Ulbricht, you will see a pattern. That is an effort to get 100% control of your digital records so that you can falsify a story. Binney and Fitts were able to keep copies of all their records, and they could never quite corner us and get everything away from us. Ulbricht was not as lucky as me and not as smart as Binney.

It's very, very important that you keep redundant and multiple copies of your records for whatever might be used in this way.

I know you've heard me say this many, many times, but I'm going to say it again because every time I meet with subscribers I realize that I'm not getting all the way through, "It is so important and essential to have people of real integrity in your life ———"



– your bank, your attorney, your CPA, your insurance company”.

During the litigation, I dealt with highly unscrupulous or illegal behavior by one bank, one CPA firm, one insurance company and their attorneys, and I am telling you that it can cause a nightmare of expense and trouble – especially before you figure out that they are happy to break the law, lie, steal, and cheat for a surprisingly small amount of money. It’s probably because they have control files. Some of them, I’m sure, had control files.

I am alive today because I had enough honest attorneys, banks, and CPAs. It made all the difference in the world.

Whatever you do, you can stop serving as the personal secretary to the Military-Industrial Complex by building and maintaining your control file for free by maintaining a Facebook or Google account.

The litigation required me to go full-on public so I stay here. I’m clearly online and I am clearly creating a massive record. That’s fine if that is what you want to do. But if you don’t want to do that, then you really need to think through how you are going to manage your digital footprint.

The problem is not just that you have a control file; the problem is that everyone around you has a control file. There are three fact patterns. Anybody around you knows it, or they don’t know it. Or you will see in many people that they don’t know, but they know to play ball. They understand that there is some invisible force, and their intuition tells them to be careful.



The integration of control files with digital databases has significantly changed the operation of the world as we know it. It was interesting. For many years there was a big debate in the independent financial media where many commentators said that the dollar was going to crash. I said, “No, it isn’t.”

One of the reasons was because I had so experienced the control files system operating at close hand that I understood the power of digital databases combined with control files. Now you have a way of being able, with relational database technology, to identify all the control points in a network, in a neighborhood, in an industry, in a business, and integrated in with networks of criminal gangs, intelligence agencies, businesses, and local secret societies with stringers on smartphones. Incidentally, that has become the largest job program in the Western world.

If you look at the speed at which the transnational organized crime or intelligence players can operate to affect control at a very granular level at high speed using the digital databases, it is extraordinary.

Digital collection and application, combined with control file technology, is making a very dramatic impact on our world globally, and yet it’s entirely invisible to most people. They can’t fathom that this has been developed over the last three decades, and yet it has. I’m telling you that it makes a huge difference because it means that it is possible for the players who control the machinery to move into any situation and get power and squeeze almost anyone they want.



One thing that you will see is control files developed in batches around particular cohorts and industries. They make a decision to target, and now that they have the population relatively picked over, you see it happen with young people. An example is cryptocurrencies - one that was very frustrating with me because I saw it coming and I tried to warn everyone. It was one of those occasions where I warned and warned and warned, and I felt as though I was standing at a cliff and the cars were rolling off the cliff, and no matter how loud I waved or screamed, nobody was listening. That was on cryptocurrencies.

In 2016 I started saying, “Be careful. You think that this stuff is private, and you think that you don’t have to pay taxes, but that is not the case. Your transactions are about as private as Times Square.”

After doing serious due diligence on bitcoin and cryptocurrency, I went to a conference in the fall of 2017. As predicted, there was a very significant number of young people who believed that cryptocurrencies and their transactions were secret and that they were free from taxes.

When I returned, I hired one team of attorneys to write a piece on the tax treatment of cryptocurrencies so that I could warn our subscribers. One of my concerns was that there was a pump and dump underway. As expected, the price of bitcoin ran up to 19,000. As it was running up, all these young, eager online software developers and crypto-enthusiasts and traders were making swaps and trades. So, they were creating taxable liabilities by swapping from one cryptocurrency into another and not realizing that they were creating a significant dollar cash liability.



Then bitcoin crashed after the end of the year. They ran it up to \$19,000, did numerous trades, and then crashed bitcoin down to \$5,000. Now many traders tax liabilities are greater than the value of their total position. So, they are really in a corner.

What happened next? The IRS announced that they were doing an investigation of 10,000 cryptocurrency traders. Why are we not surprised?

They are now going to create the equivalent of thousands of control files or enforcement actions against cryptocurrency traders. They have all those young people 'over a barrel'. What will be frightening is what they want in exchange. They are going to create a 'leash.'

I'll never forget getting into a squabble with one of the activists at the crypto conference. I looked him up and he was essentially proposing the Rape of Russia in America. I looked at his record online, and he had been busted in Virginia by the Feds for something that was a felony. His record was wiped clean which is quite remarkable, with no time spent. What does that mean? They have a leash, and he is going to do what they say. He is on their leash.

My guess is that one of the goals of the pump and dump on bitcoin in 2017 was to create a huge batch of new control files on that entire group. It's very similar to what the Feds did to the farmers at the end of the 1970's. If you are interested, read a book called *Harvest of Rage*. The US government encouraged them to take out very significant amounts of Federal government debt and then they cut their agricultural subsidies they used to pay their debt service, so they defaulted on their debt.



Then they had the IRS move in on them when farm sales and mortgage write downs created tax liabilities, and potentially created criminal and civil violations, bankrupting them. It was a very clear economic warfare move.

So, how do you live in a world where you have a 24/7 digital Stasi team on you with AI and software? I received some great advice from my preacher when I was under 24/7 surveillance in Washington. I was baffled by how to envision functioning in a world where that was occurring.

I went to church where my preacher was preaching. Obviously, they didn't know my circumstance, but it related. He said, "You're worried about what other people think of you. You need to worry, and you need to understand that God and you see everything that you do, and that is what you need to worry about."

I realized, "If I just worry about that, the rest of it will sort out."

I can also be conscious of what the laws are. Sometimes if somebody is trying to put me in a sting operation, I am conscious of that. But for the most part I'm worried about what God and I think about what I'm doing. If that's the standard that I am focused on, I find that there is so much room for improvement that I don't need to worry about the entrapment machine.

It actually helps. Spiritual practice, prayer, and staying in a higher mind and a higher energy really helps. If you haven't read my article *Coming Clean*, I would recommend that. I think it is very important to work with your close family and friends to make sure that they understand what the control file situation is and they don't create control files for themselves or you unnecessarily.



You have to teach your children about addiction and entrapment risks – both entertainment, porn, video games, crypto-trading, and all these things. You really need to help them see the game because a young person can fall into the trap and ruin their lives very quickly and easily unnecessarily. Or you can find your child's mistake, i.e. watching underage children on porn, and suddenly put you in the corner on a control file situation and poison the whole family.

Some movies and documentaries that will help you understand control files are the movie and the documentary on Snowden. The Stuxnet Virus movie, *Zero Days*, is very good. Friedrich Moser has two on Bill Binney and the software program he wrote. The first one is *Good American*. You can find them at the Binney interview, and I strongly recommend them.

There is a documentary about Ross Ulbricht. Reading the detailed description of his story under *Railroaded* on his website, www.FreeRoss.org would be helpful.

Days of Our Lives is about a human surveillance operation – the Stasi operation in East Germany. It gives you a really good feeling about that.

Enemy of the State is old, but it helps you understand the NSA software. An update on the NSA software and operations is in the third season of *Good Fight*, which is an HBO TV series. There is a very funny scene with some NSA people trying to help one of the attorneys who they are doing surveillance on.



Finally, Katherine Albrecht was part of a documentary called *Revelation: Dawn of Global Government*. That helps you envision the digital technology and makes it visible. They are very clever about how they map the digital flows on the screen while you are looking at the material world. It's rather clever.

5G is going to make the surveillance and the entrainment so much more powerful. If this is an area of the world that you haven't gotten your 'mind around', you need to start being very savvy about it now before the 5G rolls out and hits where you are.

As a young person I had seen a great deal of control file operations, and I had seen a lot of control files created. In addition, I grew up in a rough neighborhood, so I was clued into violence in America. It was interesting when I went to work for Jack Kemp, and he would constantly try to threaten me and tell me that he was looking for what was in my control file. He said that he was going to find it and use it.

At one point he tried to use against me the fact that I had donated \$500 to Jesse Jackson during the 1988 Presidential campaign. Of course, when he dished that out, he thought that it was going to hurt me. In fact, it inspired a huge amount of affection and loyalty within the bowels of the HUD bureaucracy. It boomeranged, and it was ironic. The big deal when you are a political appointee is that you get a parking spot. Every political appointee's car tires were slashed except for mine. It really made Jack mad.



The reality was the only things in my control file were things that would hurt and boomerang against the intelligence agencies and the secret societies. So, what happened with me was there were numerous attempts to falsify evidence. I had a very senior retired CIA officer swear that a DynCorp employee had used the PROMIS software on a DOJ contract to falsify evidence to get the HUD IG and DOJ starting the investigation against me. If you look at what happened, I believe that is probably true. It makes sense because as soon as they got my bank records, the whole thing fell apart.

The next thing they tried was a phony obstruction charge, and that failed because we caught them falsifying evidence and we were able to turn in affidavits to the court proving that they had been breaking the law – which, of course, nobody did anything about. The judge was the former CIA General Counsel, so I didn't expect any help there.

There were various smears used on the hopes that if you smeared somebody in the right way, you would get an indictment without any evidence of wrongdoing. Then I was asked by my attorneys – the attorney I didn't trust who worked for the insurance company – to record the Kemp tapes. I later was told, and I believe this is probably true, that the government project managers figured, “We can't get her on anything that she did at Hamilton, but we control the executive branch so we can get her on something that she did when she was Assistant Secretary.”

So, they had me record all of my experiences as Assistant Secretary, not realizing that ‘dished’ out a large amount of information and stories that nobody wanted told about HUD. It was interesting. After my employees started to listen and circulate them, which was before *West Wing*, people found them fascinating. I couldn't believe that anybody would want to listen to them.



They started circulating, and the first thing that happened was the political career of Jack Kemp and the General Counsel ‘hit the dust’ as a result of it. I kept saying to people, “Hey, it’s not my fault. It wasn’t my idea to record those,” but I think the idea that they wanted all that information to come out is a result of trying to frame me on something I did when I was Assistant Secretary.

What is my point here? My point is that the system stands ready and willing to fake material for your control files. It can be very time-consuming and expensive to have to prove that it’s not true. It’s one of the reasons if you watch the Bill Binney story or the Catherine Austin Fitts story, you want to be very good at archiving and keeping records of everything. Make sure that you have always get a copy.

The tax game is part of this. When I finished the litigation after 11 years, my accountant called me and said, “You’re not going to believe this, but your files have disappeared.”

I was very lucky that I was able to put the files back together again and get copies of everything. Don’t underestimate the expense or trouble of fake control files. Do a very good job of keeping copies and redundant copies of everything.

Part of keeping copies is having experts who can affirm and back you up. It’s not enough to have the documentation; you need other witnesses.

At Hamilton Securities, I had, what I called, ‘the white guy with ties’ budget. We would get very expensive law firms and accounting firms and other experts to review and affirm our work on all sorts of sensitive things.



It was really funny. We had this notion of the people at the CIA and the Department of Justice trying to figure out, “Here is how we are going to get them. Oh, we can’t get her with taking Price Waterhouse down on that thing,” or, “We can’t get her without taking down that guy.”

Every time they turned to try to falsify something, they would run into a ‘white guy with ties’. It was funny because our ‘white guys with ties’ budget was about \$250,000. I had a great CFO. I would say to the audit committee, “We can’t cut that because that is part of the ‘white guys with ties’ budget.”

I also did a lot of redundancy in financial control at Hamilton. Two people had to sign all the checks, and all the long-term employees had access to the ‘muscly’ financial statements. When they tried to accuse me of laundering money; one morning my CFO said to me, “I woke up this morning, and I said, ‘Maybe she is laundering money.’ I mean, they couldn’t be saying it if there wasn’t something true in it. Then I realized that if you are laundering money, since you don’t sign any of the checks and I do all the transactions and I sign all the checks along with other people, I would have to be laundering money. And I know I’m not laundering money.”

They would accuse us of this thing, but because everybody had access to all the financial statements, it had taken the sex and romance out of it.

Finally, we have multiple people checking. At Solari, we have multiple people checking and having access to our financial information.

That kind of redundancy of high integrity people or experts can be very, very useful and important. So, whether it’s your business or personal life, it’s one of the reasons the CPA always does my taxes.



I would never do my own taxes because I want a qualified expert checking everything and affirming everything. I can also prove if I gave everything to a CPA and there is a mistake, then there was no intention to violate the law or to defraud.

Think about these things when you look at your own business and your life. How can you make sure that you have high integrity people, redundant high integrity records? You don't let bad dogs into your life, and you make sure that nobody can corner you without you having a good record of everything.

Finally, don't do anything that you don't want to see on the cover of a newspaper. It's just the world that we live in. If you want to protect yourself from that, take all the surveillance devices and get them as much out of your life as you can as often as you can.

Where you can't get them out of your life, understand that you are speaking to a microphone. It all reminds me a little of the Bob Dylan song, "To live outside the law you must be honest."

To live a free and inspired life, you need to be free of control files. To be free of control files, you need to live a clean life, and you need to have enough understanding of the game to know how to navigate without fear and without concern.

So, that ends my comments on **Control Files**. Freedom means understanding that they exist and not allowing yourself to become other people's slave because of a few items in a stupid control file.



I. Financial.

I am moving **Financial** ahead of **Personnel Benefits'** in the outline. So let's start with secrecy.

Secrecy of the governance system, and therefore the important parts of the financial system, means that you can run a global economy and financial system designed for political control and producing massive amounts of secret dividends without telling anybody where it's going. You can have endless double standards and inequality, and not have people see the big picture. It's quite extraordinary when you determine how it works. That includes the fact they can't see that much of the poverty and hardship is not necessary.

Secrecy is worth a fortune; it is worth trillions. We are in a process where we are engineering major technology and assets out the back door. I, for one, would love to know where it's going. It is certainly being engineered outside the law. I believe the important thing to understand about our financial system is that it is fundamentally being managed in a way that is lawless, but there is no doubt that finance and money have traditionally been an incredibly important part of the control system.

If you haven't read *Control 101*, that is very useful to understanding money and control. Given the rise of digital technology, we are now seeing a movement or a diminution of the power and importance of finance and financial incentives as the core control tactic. We are moving much more to mind control and things like entrainment, but money and finance are still very important.



Tactics of control: If you look at individuals, there are several levels in the developed worlds. Think of these as financial treadmills or tracks that have been set up. I would put them in four categories.

The first category is **basic security** where you are covering your rent and food on a current basis. You have a small income, insecure employment or income sources, and your cost of capital is being borrowed at about 20-30%. Remember that much of the financial aristocracies are engineered by who has what cost of capital and who has access to what intelligence. It's really the cost of intelligence, the cost of capital, access to capital, and access to intelligence.

So, level one is basic security. If you play ball, you get by.

Two is **financially secure**. This is a big step up. This is the traditional middle-class who can afford to buy a house, are earning sufficient income plus healthcare and maybe a pension fund, employment is steady, and it's a good income.

You probably borrow at 15-17% on your credit card, and maybe even less. You get no interest rate offers, and on your house you are borrowing in the current environment anywhere from about 4-5%. Remember that they are trying to engineer much of this with your credit rating.

The difference between level one and level two is often access to skills and education. It really makes a difference if you come from a family that is willing to place emphasis on making sure that you get educated – whether it's at the dinner table or at school – and you get access to good education. Educational credentials are very important.



In most cases—in the first two cases, whether it's basic security or financially secure – you are still on a treadmill. You are trying to keep up with your mortgage and you are trying to keep up with your student loan payments. You probably can't afford to take the risk to start your own company, or you have to work for a big corporation or the military to make it all go. You have to play ball with the Military-Industrial Complex. You can't afford to buck the system. It's amazing how in this treadmill a doctor, even though they are making a large amount of money, has to play along with chemo or vaccines, and they can't tell the truth. They are very much scripted. A pastor's church is not for profit, so they can't afford to tell you the truth about what is going on with this political thing or that.

It's amazing how many military recruiters get young persons because they agree to pay off the family credit card or the student-loan debt. You hear stories throughout the south about things like this.

What is fascinating is if you look at the US or the G-7, you have unbelievably excessive employment throughout government or the defense contractors. So, during the last 50 years as digital technology has come and corporations have reengineered and reengineered and are now doing things with 10% of the staff that they used to be doing things with, the government has been increasing employment.

If you look at the defense contractors, it's unbelievable. You realize after you unpack government economics long enough is that this is a job program. They are trying to take all the talent, all the talented engineers, all the computer people, all the smart people, and they are trying to keep them 'in the club'.



It's one of the reasons they did a cost-plus system for the contractors – so that they could basically pay the contractors to hire everybody up and keep them busy because they want the talent to be working for the Military-Industrial Complex; they don't want them outside the club starting their own businesses and realizing, “Wait, we would rather have more of the economy just private on a decentralized basis.”

It's one of the reasons, if you look at the Russian military, they are so much more cost-effective than the US military. Someone like the Saker will always laugh at the US on the assumption that somehow we are less efficient.

My point to the Saker is, “Look, we are trying to buy everybody up around the world. We are trying to buy up the smart talent, but we are trying to buy up all the country. As long as we can print money, what do we care?”

We don't care that it's ten times more expensive.

If we have to go to a multipolar world, you had better believe that we will care then. It is going to be very interesting. I think that this is one of the reasons FASAB 56 and some of the other things occurring, begs the question, “Are they going to want to essentially downsize both the government and the padded part of the Military-Industrial Complex?”

So number one was basic security, and number two was financial security. The third track is **financially independent**. This is where you are allowed to win in the capital gains club. You are allowed to sell your company for big capital gains.



This is reserved for people who are loyal, have a great deal of talent, make a real contribution, and sometimes they are just lucky and are in the right place at the right time.

Needless to say, your access to insider costs of capital and information is much more significantly glorious. It makes a very big difference.

When I was working for HUD as a contractor through Hamilton Securities Group, we had an expression called “Ted’s Team”. Ted’s Team were people who had access to this kind of capital gains information and intelligence. It was a nickname that came from Ted Williams, who was one of the best baseball players who ever lived. I would say, “Look, you guys can play on Ted’s team. It’s just a matter of having the intel.”

So, when I was at Dillon Read I earned my way into the financially independent capital gains club when we sold the firm. I got the ‘pop’ on my equity, and I must say that living in this world is quite wonderful. It’s a whole different way of operating and looking at the world when you look at the world as an owner with a low cost of capital and plenty of access to intel.

The fourth level I call the **special breeding club**. These are people whose financial power gives them the power to absolutely create and invent where things go. They are permitted to act as an agent in size for the syndicate, if you will. Obviously, there are different factions and cartels. I would say that Warren Buffet is such a person, and Bill Gates is such a person. It’s money that creates life at a whole new level. You own your own plane, you have extra children, and other families may have your children. You get to have wives and mistresses implanted so you track them, and you are fundamentally a ‘master of the universe’.



Although I don't think that Epstein was in this category, he was servicing level four. I don't think that he was a member in good standing in level four. He certainly presented it that way, but he was much more of an intel operative than a member of the level four.

I want to underscore that whichever level you play at, it's really a difference of your access to intelligence and your access to capital. That makes all the differential.

When you live at these different levels, the thing that you really appreciate is the differential in the cost of time. Cost of capital and cost of intelligence translates into a very different result regarding the use of your time, the productivity of your time, and how life feels. Is your life full of friction, or is your life frictionless? Much of that comes down to the value of your time and the support in the infrastructure to use your time well.

The reality is that AI and the AI software Stasi teams, and dependence on digital systems, creates thousands of ways to drain and manipulate and hurt your time.

Quite the contrary, if you are at the top levels, everything works. All the systems work, and there is a whole layer of people who are there if anything goes wrong to make sure that they work for you and it doesn't drain your time. It's quite remarkable how everything just magically works.

Our movie this week on The Solari Report is my old favorite, *Trading Places*, which was made by Aaron Russo, one of the great movie producers and a wonderful man and freedom fighter. Eddie Murphy and Dan Aykroyd are switching places.



One is a very aristocratic Philadelphia commodities executive and the other is basically a street hustler. The people who run the commodities firm – two brothers who are Philadelphia aristocrats – engineer a bet saying that they can switch them and turn the street beggar into a successful commodities executive. It's all an argument as to whether a person is created by their environment or by their DNA.

One thing that you see is the extent to which the brothers and their operations depend on insider information. They have a private intelligence person working for them, and they feel free to use him to dirty-trick their executive.

They are engineering the money and the capital and the intelligence to the various players according to who they want up and who they want down. There are plenty of benefits for being successful in the system, and life can be very incoherent outside of the system. You see it all really played out in a very charming, funny way.

The critical message of the movie – and it's a message that I reiterate on *The Solari Report*– is the characters who have been manipulated, both the street hustler and the commodities executive, succeed because they get together, and together they can see the game. Then they reverse the game to their own benefit; they reverse the divide & conquer. They are being divided and conquered, and they figure out how to win by reversing the divide & conquer. They have to reverse the divide & conquer and work together to win.



They see the divide & conquer, they reverse it, and they use the power of their combined knowledge to completely reverse the whole game and win. That is always going to be my message to our subscribers and to the world. If the people who believe in meritocracy want to win and reverse technocracy, we have to work through the divide & conquer. It's the divide & conquer that is technocracy's most successful marketing technique.

It very much reminds me of my personal experience, especially when you watch the dirty tricks by the intelligence operatives. It's very interesting.

If you look back on my squabble with the US government, much of it was really about the Harvard Endowment, and Harvard is an investment syndicate.

One of Harvard's real estate companies approached me about starting Hamilton Securities – believe it or not. It was their idea. Then they tried to cheat me on the deal. I wouldn't be cheated, and as a result I worked for their regulator instead of them. Without going into the details, the story is that one of them makes a mess, then they make a worse mess to clean up their first mess. Then when that mess is made, they make a worse mess, and it goes on and on and on.

If they had been honorable to begin with, they would have made much more money and had fewer messes. But I think it is similar to the story of the scorpion and the frog: They can't help themselves.



During the litigation, it was made very clear to me that if I went back and cooperated and made money for ‘the boys’, then I could find a way back into the system, perhaps at a lower level. But I was offered a chance to go back to work on an integration of the systems for what was probably the Traveler’s Citibank merger. It was interesting that they wouldn’t offer reasonable compensation. I told them that I would do it as long as they paid me a decent wage, but the ‘headhunter’ wanted a big percentage of the ride, and they wouldn’t pay me. Anything that has come out since is unbelievably greedy.

Sometimes I think it’s all about control; it’s not about money. The message was very clear: You can only be a member of the capital gains club as long as you are making capital gains for us. So, when you look down and understand how the financial system works, you really want to make sure that you always understand ‘cui bono?’: Who is getting the capital gains on the equity?

The litigation was a great learning experience about how the system is really engineered. My companies and I were making about \$1 million a month pure cash flow, and then overnight I had to operate with zero coming in. Of course, the way that I did it was spending principal down to zero, but I had to go from a world where I was managing a \$1 million a month budget to one where I was trying to live on \$2,000 a month. It’s quite extraordinary. Of course, you fall down through many different levels.

The creditors were threatening and harassing me. So, you learn the creditor game. But going from financially independent to no income and no employment and having to reinvent myself was a very significant and challenging intellectual and emotional effort.



I had worked my entire life for very big corporations or very big governments doing approximately \$100 million or \$1 billion deals. That was the world I knew. I operated at a very high level of portfolio strategy.

I remember turning to my attorney in 1998 when I realized the level of the corruption. I said, “We are going to have to work at retail,” meaning that we were going to have to work for individuals and families and their small businesses. If we wanted a decentralized world, we were going to have to learn how to work for individuals. We couldn’t work for big governments or corporations because it was too corrupt. We were going to have to work for individuals.

My attorney turned to me, because it was supposed to be impossible, and she said, “Good luck, honey!”

I knew that I needed to get my financial incentives into alignment with the people I worked for, and there was no way that I could work for the people who were centralizing the economy and stay in alignment. If you looked at my value system, I had to find a way to work for people who wanted decentralization or ‘meritocracy’ and I had to find a way to support myself working for them. Of course, for anybody who had spent their life working on \$100 million to \$1 billion deals, it was a practical matter. It was a big switch, but it was absolutely essential to be in financial alignment with the people who I worked for.

If I was going to have integrity, I had to work for an organization, or I had to have products and services that made people more prosperous as opposed to harvesting them.



One thing that I discovered was I learned a great deal, not only about the financial incentives in the financial system, but in the culture. One thing that was interesting was that I had always been great at making money, and I always enjoyed making money. I had plenty of money. My attitude was, “You want money? Just go make money,” and it always seemed to be somewhat effortless to me because it was a world that I was interested in and a world that I enjoyed.

It was interesting to me about how many people got pleasure from my financial failure. I had always been generous with other people. I had never been a greedy person. I had given or gifted or lent a large amount of money to friends and family who were in trouble, and yet I discovered that many of the people around me got pleasure from my financial failure, and they also got pleasure insisting that now that I was poor, I would always be poor. It was funny to me because I would say, “No, I have to go through this period when I’m poor. But after it’s over, then I will go back to work, and I will be successful and whatever I do; Solari will be successful.”

They would get wildly angry at me and say, “No, no. It’s hopeless. It’s over. You are always going to be poor. You are destroyed,” and on and on.

So, their pleasure in seeing me fail financially and then their insistence that I could never succeed again was somewhat of a phenomenon that some people call ‘crabs in the bucket’. They are the crabs that pull each other down in the bucket. I was astonished at how it worked.

The other thing that astonished me was that the top people would depend on the crab in the bucket mentality to help you fail.



To a certain extent, when you are not playing ball with them, all they have to do is give permission to the general population, “Here is a member of the establishment who you can kill and take your anger out on.”

It’s rather interesting. Anybody inside the establishment who tries to do right by the people outside the establishment is then the one who is ‘thrown to the wolves’, and the general population takes their anger out on them.

It amazed me that the general population didn’t see that game and didn’t see the extent to which they were making it impossible for anybody to sit at the board table and argue on their behalf. Then the people at the top would say, “See, the deplorables are so stupid that you can never help them.”

It was always amazing to me how smart and able the leadership was at turning everybody against each other.

Another thing that I noticed was the speed at which the system can shut off employment, shut off credit, shut off and steal assets, and it is one of the reasons I always recommend *Enemy of the State* because it helps you see it unfold quickly. It really can operate that way.

It took me decades to build back to some kind of position of financial normalcy, but I have to say that I was very lucky because there were so many lies told about me, and it took a long time to prove them wrong. I am a person who can go for long periods of time alone, and that is what you have to do. It’s a path that you have to travel by yourself.



I was able to do it, and I was able to finally use the knowledge that I gained from both working on Wall Street and working in government, and then working through the process of being an enemy of the state to help other people. If you look at what I was grappling with; we are all grappling with similar or the same kind of phenomena in one way or another. It's what happens when a society gets overrun by technological change and corruption together.

So what does this mean to you? It means that you have to pay attention to the financial incentives that apply to you as an individual. But you also have to do it in the ecosystems in which you live and work. Try to get your financial incentives in your immediate surrounding to align with you and your values and where you want to go.

If you are in a situation where your financial incentives put you out of alignment with your own values and your strategic goals, it creates all sorts of risks and can even make you sick. So any time that you are able, bring transparency to how the money works around you, understand how the money works around you, and try to find a situation where you can be in alignment.

I was in Washington, DC where people make money centralizing control, so I had to leave and find a way to generate an income by serving people who want to be free of central control. That got me back into a state of alignment. So, now I work for people who share my values as opposed to those who don't.



So those are my comments on **tactics for individuals**. Let's look at **ecosystems**. We all swim in ecosystems where the financial incentives are tightly managed. It's a system and there is a model. You need to understand what the incentives are within your ecosystem and in the legal and governmental jurisdictions that you are subject to. So, an ecosystem could be for the governmental legal jurisdiction, it could be the company or enterprise you work in, and it could be your neighborhood in place. So, we are all operating in multiple ecosystems.

You often hear me say that the leadership gets things done by engineering incentives. So they don't say, "How do we go to Rome?" They say, "How do we engineer the government budgets and the other financial incentives so that everybody makes money going to Rome?"

If they can engineer it for everybody to want to go to Rome, and for everybody to start marching to Rome, then they are going to get to Rome. So, when they wanted to control Facebook to create their surveillance file system and their new digitized control file system, or they wanted to introduce cryptocurrency and get everybody prototyping their new fiat currency, the word was put out, "This is the way it's going to go." So, the early private placement investors in Facebook would say, "It's been guaranteed I'm going to make a lot of money on this. This is the way it's going to go."

You have to go along. You want to create the game of 'Follow the leader'. "It's going to go, and it has to go this way, and this is the way it's going to go, and you had better get on board. There is no point in fighting it because it's going to go. It doesn't matter if you fight it because you will just be left behind. It's going to go, so you will make money.



It's all going to go.” It's like ‘Mr. Global flu’.

Let's talk about **jurisdictions**. Wherever you are, whatever you do, you live within multiple jurisdictions. So if you live in a county, you live in the jurisdiction of that county; you live in the jurisdiction of that state; you live in the jurisdiction of that country; you live in the jurisdiction of multiple global trade agreements and currency regions.

It is invaluable to understand the jurisdictions in which you live because financial currencies, securities, and assets are all a function of the laws and regulations. Much of the secrecy or control of knowledge and information is subject to those jurisdictions. It's really invaluable.

It is interesting that most people, when they think of jurisdictions, think of governmental or judicial jurisdictions. I also think of secret societies and religious order jurisdictions. So, the world is divided up in certain ways. For example, if you talk to somebody in the Mormon Church, the entire planet is divided up in regions which are covered by the church and missionaried by the church. The Masons have regions and different ways of organizing. You will find that power within a place and authority within a place, and many of the financial machinations within a place are both a combination of the government and judicial jurisdictions, as well as the secret society and religious order jurisdictions. But it pays to know all of them.

Wherever you are, you are subject to numerous jurisdictions. Keep that in mind. To the extent that you can understand their incentives and how they lay up against your incentives, it is very helpful.



One of the big problems we run into – and the reason you need to understand jurisdictions in a place like the United States – is that a large amount of the money in the financial system is organized for political goals and control, not economic result. So, the government money and credit have a negative return on investment. It's not optimized; it's shrinking productivity. The people who are interested in meritocracy or democracy in markets are getting hugely frustrated. One of their challenges is, if they don't know the real jurisdictions that they are dealing with in their place, they really get frustrated. If they don't get some kind of transparency around the government money and how it relates to the different jurisdictions, they are really going to get frustrated. Unpacking all that and educating yourself about all that is critical.

The more you understand the money around you, and the more that you see it in the context of both the formal and informal jurisdictions, the more 'aha's' you are going to have.

Let's turn to **companies**. Companies and enterprises are a big part of the financial ecosystems, particularly as we see more and more privatization and piratization. So, a lot of income comes to individuals in the form of employment compensation, bonuses, stock options, and personnel benefits.

Companies are usually much more clear-cut about their financial incentives. Within the company's money is a pecking order. It's really interesting. I'll never forget being at a dinner with a leadership member of Fannie Mae when I lived in Washington. There would be a dinner when World Bank would meet during their spring meeting. There would be a \$1 a year bet; we would all bet \$1 as to what the long bond would be the next year.



So, the leadership of Fannie Mae was there. I was sitting next to the Vice Chairman of Fannie Mae who had for a time run one of the large brokerage firms before he retired and became the Vice Chairman of Fannie Mae. I said to him, “How did you like working on Wall Street?”

He went into this long rant that was very amusing about how much he hated it. If he had four traders and three of them made \$1 million a year, and one of them made \$1,000,001, they would all go to war and be furious and take up all his time because one had made \$1 more, and three of them had \$1 less. It was a pecking order.

He said, “At one point, they had all been pizza chefs or farmhands, and they should be grateful that they were making \$1 million. But no. All they wanted to do was whine and eat up my time on that dollar.”

He was describing the extent to which the pecking order was more important to control than the absolute amount of the money.

In companies – and this doesn’t apply to not-for-profits and some enterprises – the major enterprise model in the developed world is now the corporation. You have, what I call, the ‘pop system’, which is the capital gains. So you have equity ownership. This is why I wrote *Dillon Read & the Aristocracy of Stock Profits*; to make sure that you had a good case study on how the capital gains game works.

If I own a company, particularly if it’s publicly traded, and if I buy the stock and then do something for the earnings to go up or the price earnings ratio to go up, then my stock goes up in value and I make a profit.



Of course, the easiest way to make a stock's value go up or to make earnings go up and make a stock go up by having the earnings go up is to get a government contract and get the government to make a big purchase, etc. So, you get a capital gain as a result of the government putting out more money. This is why we have a vicious relationship now between the Dow Jones and more and more fiscal stimulus in the Federal budget. It's one of the reasons the Democrats and the Republicans agreed to a two-year glorious deficit, and avoiding the debt limitations so that during the campaign they would have plenty of money to put out to the corporations.

It really pays to understand the intersection between the government budget and the stock market. So if you haven't read *Dillon Read & the Aristocracy of Stock Profits*, it is really designed to help you see the game.

Corporations are all about creating capital gains for their investors. So, there is a real focus in the economy on how we can suck more income out of small business and send it up into the big corporations, or suck it up out of the Federal budget and into the big corporations.

What happened with globalization? It was essentially that the Soviet system came down in a big chunk of the world, we pulled capital out of the developed world and moved it into the emerging market, and we are in the process of securitizing as much business on the planet as we can into a centrally-controlled corporate model that really liquefies as much of the equity – both in the real estate and the businesses worldwide. Of course, a big part of that process is the squabble over who gets the equity; who gets the equity of the pop in that pop game, if you will.



When I was at Hamilton, we had a deal with a strategic planning group that worked for the chairman of AT&T. They came to Hamilton once a month, and we would spend half the day briefing them on money, and they would brief us on information technology and telecommunications.

One day they said the problem they had been asked to work on was the fact that there were so many different parts of the company, and they weren't collaborating together to create value for the shareholders. There didn't seem to be any incentives to collaborate.

It turned out that they had 110 software developers working for AT&T. So we proposed, "Why not make a game for their in-house internet?" The name of the chairman at the time was Bob, so the name of the game that we proposed was 'What About Bob?' It would help them see what created value on the stock and then show how creating new connections could create more value for the stock.

We would do this as a little video game of how to help Bob. So, they got excited and said, "What a great idea!" Then they came back the next month and said, "No, we don't like it."

We said, "Really? Why?"

They said, "Because it means that all the people working at the company would want stock options."

So, of course, I said, "What's wrong with that?"



It turns out that they wanted to keep all the stock for the senior executives. So, the fight continues over who is going to get the equity. You keep hearing me say on the Money & Markets Report, “Who is going to get the equity on the Silk Road?” It’s a big fight. It’s one of the reasons the Israelis want to control the Middle East. If you can throw a toll booth on the Silk Road, then you and your networks can get the equity. It’s one of the reasons you see this incredible push to try to get inserted into all the IT systems and back doors into all the IT systems, particularly in America and the NSA. It’s one of the reasons I love the *Zero Days* documentary. That is a way to get the intelligence you need to make sure that you get as big of a chunk of the equity as possible.

Companies are really important to understand. If you work for a company, you want to understand the financial incentives inside the company, and you also want to understand that ‘pop game’. I’ll never forget a client who had a wonderful son who was working in the entertainment industry. She said, “What do you think I ought to do?”

I said, “I think you should get an account at a discount broker and buy one of every stock of all the companies he is both working for or competing with.” He was a playwright.

She said, “Why?”

I said, “He has to understand the companies that he is dealing with, and he can’t understand them unless he understands what is happening to their stock. It will be the best intelligence he ever gets.”



Neighborhoods. There is no doubt that much of the control in our world happens by place, whether it's a neighborhood, a county, a state, a country, or a region. We see a lot of the government money managed to manage places including the political control and organization of places. So if you live in a place, you want to understand how the money works in your place, and you want to understand how the financial incentives work. They are very much engineered.

One of the things that would really frustrate me at HUD was that you would see the incentives in poor neighborhoods were literally engineered with government subsidies, credit, and contracts to pay neighborhoods to fail. So, the more they could prove they were a failure, the more money they could get. "Oh, it's terrible. We need more money for this. Nothing works; it's terrible."

You would get these situations where, of course, everybody is renting. They didn't want the real estate to go up because otherwise they would lose their home, or they will get gentrified out. Even if they owned their home, they could get gentrified out as the taxes go up.

So, you get these incredible incentives where everybody is making money from failure instead of success. For example, 'once upon a time' the banks in an area didn't want drugs to come in because then people would default on their mortgages and they would lose money. But once you guarantee the mortgages in the place or you have plenty of government subsidies flowing into a place, then it wasn't a problem if you had drugs because your mortgages were securitized into Fannie Mae or Freddie Mac or FHA and Ginnie Mae. So, the banks could keep making money no matter how bad the narcotics got, particularly if the securities fraud game really ramped up.



It's a perfect example of how more money in a place can really destroy or make a place bad. I will never forget watching the EU give grants. You will see this in America, too. They give foundation grants to buy the talented young people. They start to make neighborhoods work, and they start to come up with really great ways of making farming work on a for-profit basis or making community development work. Then suddenly, they get a big grant and get bought away.

If you haven't heard Norman Dodd's interview with Ed Griffin on foundations, you absolutely must listen to that. It's the same as listening to Sir James Goldsmith on globalization. Both are great descriptions of the bigger incentive systems to really help you see.

The disaster capitalism, weather warfare, and warfare under the guise of natural disasters has been excellent for place-based control and picking up ownership cheap. You can buy up the land in a county much faster if you decimate and bankrupt all the farmers with floods, or on the entrapment and pump and dump on the debt that I mentioned earlier. Those are all ways of aggregating land for cheap by essentially bankrupting and destroying the people who owned the land and putting them in a position where they either have to or want to sell.

I'll never forget being at a presentation to all the top community development foundations in the country. It was at the Harriman estate when I was at Hamilton. A group of us, a Hollywood production company, and Hamilton had put together a plan to teach data servicing and start a data servicing company. With no government money at all, we essentially trained people at very high speed to come off welfare and become very successful data servicing workers paying taxes.



Our prototyping showed that the numbers were very, very strong. We made a little movie about what our success had been and what we were planning to do. We showed it, and the lights were low as we were showing the movie. Then we had a panel of people who were working on doing this – on bringing jobs and businesses into low-income communities. One of the things that we were very interested in doing was making capital gains on the real estate as the community improved, not from gentrification, but from the income of the people already there rising.

When we turned on the lights after the movie, everyone looked like they were going to throw up. I had never seen an audience who hated a presentation more. I was shocked because I was all excited. We could end poverty, and it was wonderful. We could do it with private markets and get all the government money out of the neighborhood.

The next morning, I went to breakfast, and a friend who was the head of the Fannie Mae Foundation, who did their low-income work, sat down at the table and said, “I want you to know that that was the single most depressing presentation I’ve ever seen in my life.”

I said, “Barry, how can you say that? We can end poverty, and we can all make money ending poverty.”

He said, “What you’re saying is my life work has no meaning.”

What he meant was for him to have meaning, he needed poverty to grow, and he needed dependency to grow. It was ‘nuts’. I thought, “You are a very talented guy. If poverty is over, you can do something else.”



It was very interesting. We were hit by the litigation right after we financed our first corporation for a neighborhood. It was in Norfolk, Virginia. One of the things that we were working on was making an investment. They started an entity, and we made an investment in the form of convertible preferred stock. We were working on a software tool called Community IPO in a Box. The idea was that the neighborhood corporation could sell stock to everybody in the neighborhood, and that would create a venture pool to start putting equity investments into the local businesses and helping them upgrade and create alignment between everybody in the neighborhood and the local small businesses where everybody could make pop (capital gains) helping the businesses get more and more success.

I was invited to lunch at the time by the Chief of Staff to the Chairman of the Authorizing Committee in the house that did community development. He basically said, “Look, here are the rules: No equity will be allowed to flow into those neighborhoods other than through the low-income housing tax credit, not-for-profits, and enterprise.” So much for markets.

What they were saying is, “No equity pop game in those neighborhoods.” Essentially, I will tell you why. Those neighborhoods were reserved for narcotics trafficking and mortgage fraud. They needed to play that game during the housing bubble.

It’s interesting. Another big moment in Washington when I was there was in 1995 when the budget deal went bust and the Secretary of the Treasury, Bob Rubin, went into the Exchange Stabilization Fund for money to keep the government going, which I think ‘freaked out’ the deep state.



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That is when I was told, "They have given up on the country. They are moving their money out starting in the fall," meaning the fall of 1997, because they had been so 'freaked out' by the budget deal. Here is the deal: If you cannot get the United States to be financially responsible in terms of the Federal budget, then the only way you have of balancing the budget is by lowering the life expectancy and lowering the living standards. You do a financial coup; you debase the currency, and you lower the life expectancy.

If you can't balance it on the financial side, you are going to balance it on the asset side by the 'just do it' method, which is what I believe has happened. So, pay attention and map out your ecosystems when it comes to your place.

After the decision to pull the money out of the country, one of the reasons I started 'yapping' about it as early as I did was because I knew the only way they could balance the books was by lowering living standards and by abrogating pension fund obligations or lowering life expectancy. It was amazing to me that no one else could see it. It seemed totally obvious to me. Then again, I had been trained to look at things at a very high level for portfolio strategy.



I want you to learn how to look at the world around you this way. Anybody can learn how to do this. It's a matter of being interested and taking the time. It's amazing. I now get wonderful insights from Solari Report subscribers who email in 'Ask Catherine' or subscriber input. They will see something that I totally missed, and will say, "Did you see this?"

So anybody can do this. It's a matter of beginning to map out how the financial incentives work in your life around you in your individual incentives. Take a look at those ecosystems; map out the ecosystems; map out the jurisdictions; map out the companies around you and the other enterprises around you; map out your neighborhood, your place, your county, and your state.

So that's it for financial, which is still a big part of our world. The reality is mind control and the digital systems are becoming more and more important. But as long as we are part of a society that can print as much money as they want whenever they want, money is going to continue to be an important part of the incentive system.

H. Personnel Benefits.

Personnel Benefits fall into two categories in my mind – the overt and the covert. The overt ones are endless, and you know them all, particularly if you work for a corporation or a large enterprise. There are vacations and healthcare and bonus plans and tenure and other forms of security. There is training, education, access to skills, pension funds, retirement plans, cars, parking spaces, and traveling first-class or economy. There are tickets and memberships to clubs, and the right dining clubs and the right country clubs and access to great events.



Wall Street was the best. I had three scalpers. I had the best tickets to the tennis matches, the Knicks games, and special events at Carnegie Hall. If you looked at my Rolodex, it was filled with only partners at law firms, investment banks, and CEOs.

As soon as the litigation began, BAM! I was dropped like a stone by 1,000 of my best friends. It was like someone threw a switch. It was quite remarkable. The vast majority of your friends are not friends; they are a status perk. They come with the level, and they can be taken away overnight.

I remember on my way to Washington, I was headed there to be Assistant Secretary of Housing. I got a phone call from one of the most powerful Congressmen who had invited me to play tennis with him the next day. I didn't even know him, but unexpectedly I was invited to play tennis with one of the most powerful people in the House.

Senator D'Amato kept trying to ask me out on dates. One time he insisted that I go out with him for dinner, but I insisted on using my own driver. We sat at one table, and our drivers had drinks at the next table. It was kind of humorous.

The covert personnel benefits get a lot more interesting. Of course, there are sex slaves, money under the table, inside information, and access to secret technology and knowledge. The beauty of the covert personnel benefits is that they create a control file. So, they are remarkably economically efficient. They are also more efficient than the overt because they double as invaluable control file material. As I said earlier, the most valuable one is time.



If you operate at a certain level, then you don't have the shadow work at the top. Everything magically works, and if something doesn't, your staff is there to deal with it.

When I was on Wall Street I had a great assistant, and she would confirm our restaurant reservations three times just to make sure that there was no problem. Of course, if you are someone like me, you deal with massive amounts of shadow work. It's all part of the harassment.

It dovetails with the cost of capital. What is the cost of time? What is the cost of capital? What is the cost of intel?

Much of our society, rather than having an overt aristocracy and scaling down to serfdom, you simply engineer an invisible cost of intel, cost of capital, value of time, and engineer those things very quietly and invisibly. You can create a system where, as in the movie *Trading Places*, one can rise or fall depending on their access to intelligence, to education, to capital, and how the system respects and values their time. It is quite subtle. As I have described earlier in this series, it is very important to make the winners look like they won because they were smarter and better and more meritorious, but of course, in a technocracy, that's not true; it is engineered very invisibly with these different systems.

So, those are my comments on the **Deep State Tactics** related to **Control Files, Finance, and Personnel Benefits**. Digital technology is causing a shift in the importance of control files as a tactic, particularly combined with entrainment and mind control vis-à-vis the traditional finance and personnel benefits, but there is no doubt that as long as the central banks can print money, finance is going to be an important part of the game.



Taxation, currency systems, security systems, government budgets – all of these are very, very important to setting incentives and making the manipulations that control.

It is important that you understand all of them and take the time to understand how they flow and operate around you. It is also important that you understand the risks of your control file, but also in dealing with people in your life that either have control files or are subject to pressure from control files because it is a major driver in politics and financial management and manipulation today.

The financial system is driven by law. That is what we are going to talk about next in Part V: the legal system and the legal tactics used by the deep state to manage and control. To address deep state legal tactics, I am going to be joined by my attorney, Carolyn Betts.

Carolyn was a partner in a Washington law firm before joining my company, Hamilton Securities. Then she served as Hamilton and Solari's general counsel through all the 'thick and thin' of the litigation and the clean-up and the various difficulties getting our taxes filed, etc. She is a veritable encyclopedia of the legal tactics that the deep state uses and how they are applied in combination and integrated with the full range of other tactics – from physical harassment and violence, media, smear, whisper campaigns, and you name it. As an experienced, brilliant attorney, she has seen and dealt with it all. So she is an amazing resource, and I am very appreciative that she agreed to do this interview.



So, thank you for joining me on Part IV, and I look forward to talking with you and Carolyn on **Part V of Deep State Tactics 101**. Until we speak again, please remember: Don't worry about whether or not there is a conspiracy. If you're not in a conspiracy, you need to start one.

Ladies and gentlemen, goodbye and good luck.

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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