

The Goldman Sachs CDO was, of course, offshore

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[FT.com / Comment / Opinion - Wall Street beware: the lawyers are coming.](#)

As the FT notes regarding the alleged fraud by Goldman Sachs:

*Goldman has denied the charges, which it said were unfounded “in law and in fact”. It will argue that investors were sophisticated and assumed the risks in exchange for higher returns. **It will wave a lengthy prospectus and a 66-page pitch book, which disclaimed liability and disclosed a Cayman Islands special purpose issuer**, an exchange listing and centrally clearing.*

My emphasis added.

The point has been little picked up so far, and yet is obvious. Goldman sought opacity for their deal. They got it, in Cayman.

As ever when one gets near fraud and corruption facilitated by a lack of transparency one finds a tax haven / [secrecy jurisdiction](#) at its heart.

Tax is not, of course the issue here. Secrecy is. And we have to shatter secrecy jurisdictions for good to overcome this problem. Accommodation with corruption is not an option. These places are set up to facilitate corruption. They have to go.

NB: Secrecy jurisdictions are places that intentionally create regulation for the primary benefit and use of those not resident in their geographical domain. That regulation is designed to undermine the legislation or regulation of another jurisdiction. To facilitate its use secrecy jurisdictions also create a deliberate, legally backed veil of secrecy that ensures that those from outside the jurisdiction making use of its regulation cannot be identified to be doing so.