If Goldman has admitted to fraud shouldn't it be one st...

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FT Alphaville ¬ª Goldman seeks SEC settlement.

According to the FT:

Goldman Sachs hopes to avoid the SEC's charge of fraud by reaching a settlement on a lesser offence and agreeing to a fine of hundreds of millions of dollars, reports the FT, citing people familiar with the situation.

Goldman, which has been accused of civil fraud over a complex security called Abacus, is pushing for SEC settlement on the less serious charge of omitting or mis-stating material facts to investors.

Now let's, just for a moment, consider what fraud is. I can happily live with this definition:

In the broadest sense, a fraud is an intentional deception made for personal gain or to damage another individual

So, Goldman is going to admit, its reported that it mis-stated material facts. Mis-stating requires knowledge of doing so. If you made an honest mistake you did not mis-state. You made a mistake in good faith. Mis-statement is providing knowingly incorrect information. Which seems like intentional deception to me.

And did Goldman do this for gain? All the evidence suggests so.

In which case Goldman is admitting to fraud.

And we still let this organisation operate as a bank?

Tell me, why we do that?

Why should we let admitted fraudsters run banks?

I thought the whole purpose of regulation was to stop that?

Whilst Goldman fought this allegation they could carry on. But if even this lesser charge is accepted then fraud - whether civil or criminal does not matter - has been admitted.

And when a bank admits to fraud it should be one strike and you're out.