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MAFIAS AND BANKS

A 3x52' documentary series

Directed by Julie Lérat and Christophe Bouquet

Produced by Yami2 and ARTE France

Synopsis

This is the story of two worlds that, at first, do not mix. They share the same taste for luxury, risk and easy money, but they despise and fear each other. For a long time, criminals robbed banks. It was not until the end of the Second World War that mafias began to understand all the benefits they could get from banking institutions, and then from finance. Until then, trafficking was modest, small-scale, and often limited to the national scale. Banking networks themselves were often regional, rarely country-wide.

But when, in the 1950s, drug trafficking really took off, money became a problem for the mafia: there was too much of it. What should they do with the cash? How could it be transferred from one country to another and be used to pay suppliers, smugglers and bribes? And how could they justify their income when its provenance cannot be disclosed? In order to secure and launder their money, mafias were to follow the lead of the rich.

Little by little, a game with multiple players was set up: banks, states and mafias learned to live alongside each other, to do each other favors, and create techniques that made it possible for everyone to benefit. Criminal organizations first discovered tax havens: Switzerland, but also the Bahamas, and this offshore world that was being born at the end of the 1950s, a space without States and therefore without repression.



Synopsis

For about twenty years, the mafias would enjoy it in complete peace. And they could do so for a simple reason: in the eyes of the States, of the powerful, money could not be a problem. No one questions the source of fortunes, no one looks into bank accounts: it's personal. Moreover, the very notion of money laundering did not exist.

While states looked the other way, mafias were maturing, structuring themselves, infiltrating the very heart of the government, and soon threatening it. In Italy, Colombia, Japan, Hong Kong, in a violent and frontal way or in a more subtle way, criminal organizations were threatening democracies. In the 1970s, it became urgent to develop ways to tackle the mafias.

In the early 1980s, Judge Giovanni Falcone suggested that the only way to penetrate criminal organizations and convict Mafia members was to follow the money. «Follow the money», would the FBI and the DEA say in unison. The results were conclusive, they raised great hopes in the fight against crime and gave birth to the first Money Laundering Control Act of 1986 in the United States.

But this act only condemns the laundering of drug money, and ignores the whole economic and financial context that allows the laundering of dirty money. At that time, these were the Reagan and Thatcher years, and the time was ripe for the market liberalization. All the barriers were broken in the banking and finance sectors.

The stock market, the markets, became a wonderful playground for criminals. In the 1990s, with the end of the Cold War and the advent of financial globalization, transactions multiplied at an incredible rate. In the sector of goods and merchandise, as in the sector of financial exchanges, mafias were able to fit in perfectly. They operated in symbiosis with the business world, building legal fronts that were increasingly difficult to penetrate. It was impossible to follow the money.

This series will reveal mechanisms, invisible to us on a daily basis, that undermine all the foundations on which our economic system claims to rely. When mafias penetrate the economy, there is no free market or free competition anymore, there is no wealth creation, but a capture of resources. And this has a concrete impact on our lives, on the prices we are charged, the services we receive, the quality of our public services.

In the eyes of the States, however, money still has no smell. After several years of adjustments within the European Union, the money from crime is included in its GDP. The scandals of money laundering by major banks regularly break out. At most, they get a slap on the wrist. And there is a reason: the States have entrusted banks with the entire responsibility of fighting against money laundering. The fox is guarding the henhouse.



EPISODE 1

Mafias at the gates of Heaven

1929 - 1979

The meeting between the world of mafias and the world of finance was shy and almost accidental.

But when drug trafficking exploded and mafias became richer than ever before, they found intermediaries in the banking community.

The result was a total disaster: the biggest bank failure ever recorded.





EPISODE 2

The race for capital 1979 - 1989

For criminal organizations, money was becoming a problem: there was too much of it.

Modern money laundering techniques were developed in the 1980s, against the backdrop of the Cold War, which provided protection for both the Panamanian dictator and a mafia bank.

For the first time, states tried to follow the money to crush criminal organizations. But the Reagan and Thatcher years were also the years of deregulation, and the possibilities of money laundering exploded.



EPISODE 3

In the belly of the beast 1989 to the present day

In an instant, all borders collapsed: it was the rise of the Russian mafia, the return of Hong Kong back into the Chinese fold.

With the fall of the Berlin Wall, the world became one and capitalism triumphed. It was impossible to track the money in the flood of global transactions.

Banks, which are supposed to monitor the system, shamelessly became accomplices of mafias.





Production notes

Modern mafias would not exist if the banking system were not what it is. This system allows the world economy to function, it was wanted by the States which made it the key instrument of globalization. Mafias have aggregated in it, to the point of holding a rank comparable to that of the largest multinationals.

Same lawyers, same accountants, same experts. Same strategies and same investments... It is a world history that, far more than the history of drug trafficking does, multiplies access points all over the globe. It is a modern history, that is part of the 20th century and extends into the 21st century.

This story will allow us to better understand the workings of this globalized finance, which every decade keeps inventing more and more sophisticated financial tools, using the most avant-garde technologies, conceived by extraordinary mathematicians and large-scale con artists.

It will help us understand why the States have, little by little, in very different geopolitical contexts, allowed this system to structure the world economy, to the point of having their hands tied with mafia activities: going after mafias at the source means collapsing the system on which the world economy is based...

Christophe Bouquet and Julie Lerat have been developing their information networks all over the world for the past 6 years and have access to the best specialists, who open new doors for them, guaranteeing that this series will become the indispensable reference for a long time.

Christophe Nick

Director's notes

This environment will allow us to approach the complexity of international finance: the interlocking shell companies, the multiplicity of financial objects - hedge funds, derivatives, trusts, etc. - and the millions and billions of dollars that are beyond our understanding... This will be one of the main challenges of these films: to make clear what is far from being clear. To show the invisible, these offshore spaces, these secret corners of finance, and their encounter with the mafia world, itself impenetrable.

The story is based on the articulation of three points of view: that of governments, that of banks and that of mafias. One of the three is always the engine of a permanent evolution that benefits the other two.

The historical narrative makes the immersion in the world of finance much easier than it would seem. It is brick by brick that the system is built, and if it is interesting to explain sometimes a laundering technique in detail, it is the picture of the system as a whole that will interest us.

Computer graphics will help us, whenever necessary, to make the technical aspects of the story more concrete and understandable. We will also rely on a particularly qualified cast: in economics, there are people who have the gift of making the most complex concepts understandable, even to the non-specialist. Their analyses will largely serve to back up the first episode, which is part of a more distant history.

By taking up and developing the narrative codes of «The story of drug trafficking», the first episode will launch a great historical fresco. Archival images will help set the atmosphere and provide temporal reference points. Fictional images will be added, offering another reading: it's the perception of mafia or finance at a specific time. They will sometimes be offbeat, sometimes surprisingly modern. Finally, because this first episode

tells us about a more distant era, the story will focus on characters, who will embody a period, practices and places: from Meyer Lansky's New York to Yoshio Kodama's Japan.

In the second episode, which covers the 1980s, the experts' intervention will be coupled with real-life testimonies: former money launderers, anti-mafia judges and magistrates will bring a more personal voice. In addition to the archives, there will be images shot today. They will create the link between past and present, and will underline what remains as a legacy of this period: Miami and Hong Kong, for example, were built in large part thanks to crime money.

In the third episode, from the 1990s to today, archive footage became progressively rarer, giving way to footage shot today. The testimonies will be more present and more sequenced: victims of the mafia's infiltration of the economy will appear, ruined businessmen or merchants, witnesses under surveillance. They will enable us to give a chilling reality to the story by anchoring it in what they have experienced and suffered. Their testimony will help us to go down from the high spheres of finance to understand how the infiltration of criminal organizations has consequences in our daily life, which we often ignore

Julie Lerat and Christophe Bouquet



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