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March 10, 2022

*BY ELECTRONIC MAIL*

Mr. John Marzulli

United States Department of Justice

Eastern District of New York

271 Cadman Plaza East

Brooklyn New York, 11201

[John.Marzulli@usdoj.gov](mailto:John.Marzulli@usdoj.gov)

***Re: Memo #4 - Goldman Sachs Deferred Prosecution Agreement***

Dear Mr. Marzulli:

The Department of Justice has yet to respond to Memo #1, Memo #2 and Memo #3 with our recent inquiry to the 1Malaysia Development Berhad Deferred Agreement. Goldman Sachs' Deferred Prosecution Agreement with the United States of America is in potential breach, with ethical enforcement being concerned.

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Memo #4 aims to associate the malfeasance in Malaysia with war crimes of aggression<sup>1</sup> (in the planning, initiation, or execution of a large-scale and serious act of aggression), leveraging the world's only military divided capital city Nicosia, Cyprus.<sup>2</sup>

1. Additionally, Memo #4 aims to earn the DOJ's assessment of New York State's regulatory marketplace manipulation deriving the war crime against peace, related to the planning, preparation, initiation, waging or participation in a common plan or conspiracy related to a war of aggression, which can only apply in relation to international armed conflict.
2. In this case, the first challenge is to observe and consider the simple idea that the DOJ's Deferred Prosecution Agreement with Goldman Sachs alone, through means of regulatory arbitrage naively fails to recognize the 'cause and effect' relationship at play at the inception of Memo #4's assertion of war crimes.
3. Even with the best of intentions, perhaps unknowingly the DOJ may be amplifying the effect of potential war crimes by indirectly supplementing the root cause of the problem and financial model of the Deferred Agreement being self-policing.

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<sup>1</sup>

<https://harvardilj.org/2017/04/the-crime-of-aggression-under-the-rome-statute-and-implications-for-corporate-accountability/>

<sup>2</sup> <https://unficyp.unmissions.org/military>

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Mr. Marzulli, there has been an active United Nations peacekeeping mission in Cyprus since the 1964 Turkish military invasion and occupation of the northern third of Cyprus.<sup>3</sup> Only Turkey recognises the Turkish Republic of Northern Cyprus, while there is broad recognition that the ongoing military presence constitutes occupation of territories that are under Turkish military control.

- The graduate education behind Memo #4 is a product of the University of Nicosia's (UNIC) main campus, located adjacent to the United Nations Buffer Zone that separates the invaded Turkish Republic of North Cyprus and the Republic of Cyprus, which joined the European Union in 2004.
- Memo #4 is also a product of United Nations consultancy, based at its Manhattan headquarters, where (today, what is now xNY.io - Bank.org)<sup>4</sup> was credited with increasing the breadth and accessibility of reference content from the world's most important multinational organization.
- Memo #4's subject of war crimes has preeminent association with such projects as the Audio Visual Library of International Law.<sup>5</sup>

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<sup>3</sup> <https://peacekeeping.un.org/en/mission/unficypr>

<sup>4</sup>

<https://drive.google.com/file/d/0BweeaCIFZ8c0dDNDWGFveVFTXzIOTjhXY2tKS2FZN2VKc2VN/view?usp=sharing&resourcekey=0-lolG87glGxqJGC7Kg5ltBQ>

<sup>5</sup> <https://legal.un.org/avl/intro/introduction.html?tab=2>

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Over the following sections, Memo #4 will provide a detailed timeline that would constitute real concern of the war crime of aggression yielding the war crime against peace in active war conflict in the world's only military divided capital, funded from Manhattan Island.

**The Bank of Cyprus and Illegal Short Selling Irregularities of Turkey's Markets**

Mr. Marzulli, turn this matter as we will, and look at it from any side whatsoever, and it presents the appearance of a cross-border act of aggression. Goldman Sachs' potential disrespect to the Deferred Agreement's core values has cultivated new crimes that aim to manipulate cross-border war crime regulatory frameworks.

- On April 02, 2021 the Financial Times<sup>6</sup> reported that Turkey fined Goldman Sachs over alleged irregularities in short selling, just a week after foreign investors pulled \$1.9B from the country's stock and bond markets. Turkey's Capital Markets Board said that Goldman Sachs was among 10 securities firms that had placed orders for short selling without proper notification, violating rules enacted previously that temporarily prohibited such transactions.

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<sup>6</sup> <https://www.ft.com/content/d9dc290d-053d-40cd-bba0-8532e600aef9>

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- On April 20, 2021 the CyprusMail<sup>7</sup> (Cyprus' only English Language daily newspaper) reported Goldman Sachs International acted as Global Coordinators and Dealer Managers in a \$330M bond issuance for the Bank of Cyprus.

Given the active military conflict in Cyprus, Memo #4 notes that there is one place on the planet you are not supposed to do this sort of thing. Furthermore, the DOJ's Deferred Agreement with Goldman Sachs may have been tainted with the potential war crime of aggression, risking international peace and the lives of United Nations peacekeepers, while jeopardizing the United States of America's financial security.

#### **Concern of New York Prime Bank Instrument Fraud and Marketplace Manipulation**

The United States Department of the Treasury warns that Prime Bank Instrument Fraud schemes<sup>8</sup> have attracted significant international attention, since individuals and organizations have lost billions of dollars worldwide. "Prime Bank Instrument Fraud" is the general term given to prime bank fraud schemes that go by many different names.

During April 2021, Goldman Sachs could not in good faith (and, plausible deniability) make any reasonable claim of holding a pristine relationship with Turkey's Central Bank or with Cyprus' largest financial institutions, given the 1Malaysia Development Berhad

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<sup>7</sup> <https://cyprus-mail.com/2021/04/20/bank-of-cyprus-bond-300-million/>

<sup>8</sup> [https://www.treasurydirect.gov/instit/statreg/fraud/fraud\\_primebank.htm](https://www.treasurydirect.gov/instit/statreg/fraud/fraud_primebank.htm)

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scandal and then pending Deferred Prosecution Agreement with the United States of America.

- Memo #4 suggests that Goldman Sachs developed a Prime Bank Instrument Fraud program to level out yo-yo market dynamics caused by failed marketplace manipulation exercises in Turkey and Cyprus.
- Systematic bank fraud and/or marketplace manipulation of any kind between Turkey and Cyprus could constitute the war crime of aggression.
- Furthermore, Memo #4 argues that Goldman Sachs may have tried to bamboozle governments in New York, Cyprus and Turkey through regulatory arbitrage loopholes, while Goldman seemingly may have not considered the totality of such actions as war crimes.<sup>9</sup>

Turkey has the highest inflation in Europe. It has the second-highest rate of inflation among emerging markets, just behind Argentina. It has the 13th highest inflation rate in the world, ranking it between South Sudan and Nigeria.<sup>10</sup> After Goldman Sachs was fined for illegal stock and bond market short selling by the Turkish government, logic would argue further malfeasance potentially could have been avoided by the DOJ's 1Malaysia Development Berhad investigation.

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<sup>9</sup> <https://ww3.lawschool.cornell.edu/research/ILJ/upload/Riles-final.pdf>

<sup>10</sup> [https://en.wikipedia.org/wiki/2018%E2%80%932022\\_Turkish\\_currency\\_and\\_debt\\_crisis](https://en.wikipedia.org/wiki/2018%E2%80%932022_Turkish_currency_and_debt_crisis)

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- On April 15, 2021 CNBC reported<sup>11</sup> that Goldman Sachs (*note, the previous section's milestones of April 02, 2021 and April 20, 2021*) crucially removed its bias toward Turkey tightening interest rates. Goldman issued guidance highlighting the fact that the bank thought that, "...the removal of the tightening bias against rising inflation expectations suggests that the TCMB (Turkish Central Bank) now has a more dovish reaction function."
- On August 14, 2021 the CyprusMail reported<sup>12</sup> serious concern among economists about data reporting from the Turkish Statistical Institute. Ahmet Takan, a former official with the office of the Turkish prime minister, acted as a whistle blower, warning that Turkey potentially was manipulating inflation data.
- On September 1, 2021 Reuters reported<sup>13</sup> that Goldman Sachs hiked Turkish growth forecasts. Goldman economists issued guidance stating, "Overall, the Turkish economy has been able to grow faster than we thought without a deterioration in its external balances, as the pickup in foreign demand has been very supportive."

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<sup>11</sup>

<https://www.cnbc.com/2021/04/15/turkeys-central-bank-holds-interest-rates-sparking-investor-concern.html>

<sup>12</sup> <https://cyprus-mail.com/2021/08/14/turkish-statistical-institute-accused-of-manipulating-inflation-data/>

<sup>13</sup>

<https://www.reuters.com/world/middle-east/jpmorgan-goldman-sachs-hike-turkish-growth-forecasts-2021-09-01/>

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- On November 30, 2021 Reuters reported<sup>14</sup> that Goldman Sachs trimmed Turkey's 2022 growth forecast. Goldman Sachs' Murat Unur stated, "We think that the GDP figures released today tell us little about the pace of economic activity going forward as the recent sell-off in the Lira is likely to impact economic activity significantly"

Mr. Marzulli, the DOJ's Deferred Prosecution Agreement with Goldman Sachs was signed on October 21, 2021.<sup>15</sup> The timeline of events above do not coincide with terms and conditions of the Deferred Agreement mandated by the United States of America.

Furthermore, as an international graduate scholars of the world's only military divided capital on the planet, xNY.io<sup>16</sup> - Bank.org<sup>17</sup> should be protected from any association of crimes against peace, related to the planning, preparation, initiation, waging or participation in a common plan or conspiracy related to a war of aggression, which can only apply in relation to international armed conflict.

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<sup>14</sup>

<https://www.reuters.com/world/middle-east/goldman-sachs-trims-turkey-2022-growth-forecast-lira-slide-im-pact-significantly-2021-11-30/>

<sup>15</sup> <https://www.justice.gov/criminal-fraud/file/1329926/download>

<sup>16</sup> <https://xny.io/>

<sup>17</sup> <http://bank.org/>

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### **War Crimes Against Humanity**

Mr. Marzulli, xNY.io - Bank.org is concerned that potential breaches to the Deferred Agreement are impacting our global enterprise. Crimes against humanity can be committed in peacetime as well as during an armed conflict. Even a single act could fall under this exclusion ground provided it forms part of a widespread or systematic attack against a civilian population and the act is committed by any person (including a civilian) who had knowledge of the attack and the link of the act to the attack.<sup>18</sup>

1. We are looking to learn more about the DOJ's approach to assessing any potential breaches to the Deferred Agreement's mandates as we determine New York State's role in cross-border bank regulation and corresponding innovation beyond war crimes against humanity.<sup>19</sup>
2. In order to establish whether a war crime or a crime against humanity has been committed, the case officer should consult the relevant international instruments and case law.
3. Crimes against humanity are fundamentally inhumane acts, committed as part of a systematic or widespread attack. Inhumane acts, which could reach this

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<sup>18</sup>

<https://euaa.europa.eu/country-guidance-iraq-2021/crime-against-peace-war-crime-or-crime-against-humanity>

<sup>19</sup> <https://www.un.org/en/genocideprevention/crimes-against-humanity.shtml>

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threshold when committed pursuant to or in furtherance of a State or organizational policy (potentially, New York State bank regulation).

4. Persecution against any identifiable group or collectivity on political, racial, national, ethnic, cultural, religious, gender, or other grounds that are universally recognised as impermissible under international law.
5. Furthermore, we have made 28 highlights to the Deferred Agreement providing supporting reference to Memo #4's overarching premise.<sup>20</sup>

xNY.io - Bank.org submits Memo #4 for DOJ consideration of other inhumane acts of a similar character intentionally causing great suffering, or serious injury to body or to mental or physical health. Some crimes against humanity would require an additional specific intent, such as Goldman Sachs willfully disrespecting New York State and/or overall peace and security of the United States of America.

Memo #1, Memo #2, Memo #3 and Memo #4 outline instances that correspond with the associated definitions of the potential war crimes abroad and jeopardize the future of bank innovation from New York, at great sacrifice to the Homeland.

We hope to learn the DOJ's approach to comment on Memo #4's subject matter or, without delay refer these concerns to the International Criminal Court<sup>21</sup> and/or

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<sup>20</sup> [https://drive.google.com/file/d/1Yx88RMoeLyfbNK0RtPI4r-m8N21\\_1Sp/view?usp=sharing](https://drive.google.com/file/d/1Yx88RMoeLyfbNK0RtPI4r-m8N21_1Sp/view?usp=sharing)

<sup>21</sup> <https://www.icc-cpi.int/>

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International Court of Justice<sup>22</sup> for comment.

Respectfully yours with anticipation,



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<sup>22</sup> <https://www.icj-cij.org/en>

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