

USAPonzi CliffsNotes 10/1/17

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The following is an Op-Ed to **"The Wall Street Journal"**, **"The New York Times"** and **"The Dallas Morning News"** that explains, in CliffsNotes style, the Ponzi scheme fiscal policy of the corrupt U.S Government. I call this **\$107.7 Trillion** Ponzi scheme fiscal policy; **USAPonzi**.

The "news media" has an ethical responsibility to inform the general public of how the U.S. Government is committing fiscal and accounting fraud to cheat the general public and the rest of the planet so they can "feather their own nests" and "dramatically feather the nests of their upper-class friends"!

USAPonzi CliffsNotes

October 1, 2017

USAPonzi is my name for the [Ponzi scheme](#) fiscal policy of the corrupt U.S. Government!

For people that do not want to read my books **"USAPonzi"** and **"USAPonzi2"** that explain **USAPonzi** in detail, this is the CliffsNotes style version of these books as updated on October 1, 2017.

The U.S. Government has gotten the global financial and economic system into one hell of a mess by using a fraudulent accounting system!

The U.S. Government has fraudulently elevated the lifestyle of Americans by

fraudulently borrowing money from the future Americans and giving it to the current Americans!

The United States of America appears to be the richest and most prosperous country on the planet but only because the U.S. Government is corrupt!

The U.S. Government is operating a massive **Ponzi scheme** by operating with **Cash Accounting** rather than proper and **Generally Accepted Accounting Principles (GAAP Accounting)**. The U.S. Government is not using proper accrual accounting, which calls for the accrual of the money to pay future government benefits when the recipient of these benefits becomes eligible for the benefits. **GAAP Accounting** is the name commonly used for the U.S. version of accrual accounting as specified by the **Financial Accounting Standards Board (FASB)**.

The U.S. Government has fraudulently borrowed/stolen **\$107.7 Trillion** of **fake money (imaginary-counterfeit money)** from the future Americans, that the future Americans do not have, and given it to the current Americans. The U.S. Government is stuffing this **fake money** into the pockets of the current Americans with **GAAP basis deficit spending**. The U.S. upper class is being dramatically enriched by this U.S. Government fiscal and accounting fraud that I call **USAPonzi** because they get most of this **\$107.7 Trillion** of **imaginary-counterfeit money**.

By using fraudulent accounting, the U.S. Government has given the U.S. upper class **\$107.7 Trillion (US Unfunded Liabilities (GAAP))** by undertaxing them!

Let me say that one more time, the U.S. Government has fraudulently given the U.S. upper class **\$107.7 Trillion** simply by undertaxing them!

The U.S. upper class is getting rich because they are not paying the taxes required to pay for the spending and committing to spend of the U.S. Government!

By using fraudulent accounting, the U.S. Government has promised benefits to the U.S. Common Man that are now underfunded by **\$87.5 Trillion! (US Unfunded Future Liabilities)!**

The U.S. Government has borrowed **\$20.2 Trillion (National Debt)** from the now fraudulently enriched U.S. upper class so that they can overpay themselves!

By using fraudulent accounting, the U.S. Government has fraudulently borrowed **\$107.7 Trillion** from the future Americans so that the current Americans can fraudulently buy stuff from the rest of the planet with this **imaginary-counterfeit money!**

This is why the rich are getting richer. This is why the poor are getting poorer on a relative basis. This is why we have so many cars and trucks that we have traffic jams; we are buying them with fraudulently borrowed **fake money**. This is why illegal immigrants will risk deportation, life, and limb to come to America to get some of this **fake money**. This is why drug dealers will risk incarceration, life, and limb to sell drugs to the rich Americans that have this **fake money**. This is why football players will risk life and limb to make millions of **fake money** playing a sport that could give them concussions.

This is why the stock market goes up continuously with this **fake money**. This may be why the terrorists want to terrorize us; they resent the fact that Americans have such an opulent lifestyle by spending **fake money**. This may be why the underprivileged riot in the streets; they resent the fact that the elite have so much **fake money** and they have so little money (See [Social Injustice of \\$195 Trillion](#)).

This is why many Americans do not want/need to work for low wages, they can live on government benefits that are paid with **fake money**. This is why the cost of housing continues to escalate. This is why the cost of healthcare continues to escalate. This is why the cost of everything seems to have gone up by nominally **5% a year** since 1969, the U.S. Government is fraudulently borrowing **imaginary-counterfeit money** from the future Americans faster than the global economy is producing assets (See [Inflation: A Byproduct of USA Ponzi](#)).

This is why politicians will lie and cheat so that they can get elected and join this gravy train that they themselves have concocted. The senior U.S. Government officials are criminals because they are direct financial beneficiaries of this U.S. Government fraud!

The U.S. Government is corrupt! Since FY1969, the U.S. Government has been operating with a fiscal policy that is a criminal activity. The U.S. Government is not using proper accrual accounting ([GAAP Accounting](#)) and is therefore not properly accruing for future financial commitments that include government pensions, veteran benefits, and social benefits. This creates a dramatically unbalanced budget that has deferred **\$107.7 Trillion** of public liabilities to the future Americans which is reported by [www.usdebtclock.org](#) as **US Unfunded Liabilities (GAAP)**.

National Debt	\$20.2 Trillion
Cash Deficit in FY2017	\$0.69 Trillion
GAAP Deficit in FY2017	\$5.50 Trillion
US Unfunded Future Liabilities	\$87.5 Trillion
US Unfunded Liabilities (GAAP)	\$107.7 Trillion
Imaginary-Counterfeit Money	\$107.7 Trillion
Total National Assets	\$134.0 Trillion

Source: [www.usdebtclock.org](#) Oct 1, 2017

The U.S. Government is simply pretending to borrow money from the future Americans, that the future Americans do not have, and giving it to the current Americans. As of Oct 1, 2017, the U.S. Government has "borrowed/stolen" **\$107.7 Trillion (US Unfunded Liabilities (GAAP))** of **fake money** from the future Americans and given it to current Americans. This is fraud because the future Americans cannot pay this **\$107.7 Trillion** and worse yet the amount borrowed from the future Americans is increasing by **\$15.10 Billion** every day because of ongoing **GAAP basis deficit spending** (GAAP Deficit in FY2017 of $\$5.50T/365 = \$15.10B$).

I call this **fake money**, that the U.S. Government has fraudulently borrowed from the future Americans, **imaginary-counterfeit money** because the U.S. Government just **imagines** that the future Americans can pay it someday so it is **imaginary** but the future Americans can never pay it so it is **counterfeit**. The U.S. Government is stealthily and systematically creating

imaginary-counterfeit money out of "thin air" with **GAAP basis deficit spending** and giving it to the U.S. upper class (See [The Concept of Imaginary-Counterfeit Money](#)).

The U.S. Government has been "[Cooking the Books](#)" by using **Cash Accounting** rather than the proper **GAAP Accounting** since FY1969. As a result, the U.S. Government and by association all Americans have been writing **hot checks** to each other and to the rest of the planet to buy stuff with this **imaginary-counterfeit money**. The U.S. Government, with the current fiscal policy, has authorized Americans to spend up to **\$107.7 Trillion** of **imaginary-counterfeit money** and is authorizing **\$15.10 Billion** more every day.

The U.S. Government has committed a **\$107.7 Trillion crime**. The senior officials in the U.S. Government are criminals and as I said in my [first of twelve whistleblower letters to the SEC dated January 8, 2014](#):

"I contend that every Member of Congress and every senior member of the Administration should be indicted on fraud and corruption charges if they vote for or support any financial budget that is based on our current Cash Accounting methodology."

The crime being committed by the U.S. Government is eerily similar to the **Madoff** and **Enron** frauds but **2,000 times larger** than either of these massive financial frauds. The U.S. criminal justice system quickly convicted the principals in both of these frauds and sent them to prison. Bernie Madoff was given a life sentence. What should be the penalty for committing a crime that is **2,000 times larger** than the Madoff Ponzi scheme?

USAPonzi is strikingly similar to Madoff Ponzi since it is making the rich friends of the U.S. Government (the U.S. upper class) appear to be quite rich by undertaxing them by **\$107.7 Trillion**, deferring the public liabilities to the future Americans, and at the same time is skimming off a few billion dollars for themselves (See [The Clinton Fraud](#)). Bernie Madoff used this same model for his scheme; he claimed to have made **billions of dollars** through his investment firm for his rich friends but was actually paying investment returns to his early investors with money from new investors and skimming off **a few million dollars** for himself by using a fraudulent reporting system.

I call this massive U.S. Government Ponzi scheme **USAPonzi**. This Ponzi scheme fiscal policy of the U.S. Government is in the process of producing an infinite supply of **imaginary-counterfeit money**, **\$107.7 Trillion** so far, by fraudulently borrowing it from the future Americans and giving it to the U.S. upper class!

The table above shows the magnitude of the difference between **Cash Accounting** and the proper **GAAP Accounting** (Generally Accepted Accounting Principles). **Cash Accounting** reports a **Cash Deficit in FY2017** of **\$0.69 Trillion** while **GAAP Accounting** reports a **GAAP Deficit in FY2017** of **\$5.50 Trillion**. **Cash Accounting** reports public liabilities (**National Debt**) of **\$20.2 Trillion** while **GAAP Accounting** reports public liabilities (**US Unfunded Liabilities (GAAP)**) of **\$107.7 Trillion**.

Public liabilities (**US Unfunded Liabilities (GAAP)** on www.usdebtclock.org) that are deferred to the future Americans become **imaginary-counterfeit money** in the pockets of the current Americans that did not pay these taxes.

The global economy is operating on this ever increasing supply of **imaginary-counterfeit money** produced by the **GAAP basis deficit spending** of the U.S. Government. The entire planet appears to be getting rich with **imaginary-counterfeit money** produced by **USAPonzi**. Americans are able to buy a lot of stuff that they cannot afford with this exponentially increasing supply of **imaginary-counterfeit money** that the U.S. Government fraudulently borrows from the future Americans. The current Americans are buying stuff with the future Americans' money which the future Americans do not have.

I call this massive pool of **imaginary-counterfeit money** "[The Oswald Financial Bubble](#)" because **USAPonzi** was started by LBJ in FY1969 and LBJ became president because Oswald assassinated JFK. **The Oswald Financial Bubble** has, to date, had two major pulsations "**The Internet Bubble**" in 2000 and "**The Housing Bubble**" in 2008 but it has also caused a 48-year long bull run in the global equity markets creating "[The Stock Market Bubble](#)". Most of the money made in the stock market over the last 48 years is not due to the performance of companies but rather due to the fraudulent creation of **imaginary-counterfeit money** by **USAPonzi**.

USAPonzi is the reason that the stock market appears to be the only place that investors can earn a reasonable return today but most of these returns are in **imaginary-counterfeit money**. And by the way, [the Internet Bubble and the Housing Bubble](#) were just preliminary tremors to the financial earthquake that will occur when **the Oswald Financial Bubble** bursts. The last major pulsation of **The Oswald Financial Bubble** will occur when **USAPonzi** implodes. **It will be a doozy!**

The Oswald Financial Bubble has filled the planet with stuff that we really cannot afford because we are buying and building this stuff with **imaginary-counterfeit money** creating "[The Housing Bubble](#)", "[The Automobile Bubble](#)", "[The Airplane Bubble](#)", "[The Skyscraper Bubble](#)", "[The Oil Price Bubble](#)", "The Gold Price Bubble", "[The Smartphone Bubble](#)", "[The Bank Bubble](#)", "[The Sports and Entertainment Pay Bubble](#)", "[The Entertainment Facility Bubble](#)", "The Mall Bubble", "[The Restaurant Bubble](#)", "[The Healthcare Cost Bubble](#)", "The Medical Facility Bubble". etc.

Because of this fiscal and accounting fraud, I estimate that we have on the order of 5-7 times as many "things" like cars, airplanes, ships, smartphones, restaurants, banks, golf courses, etc. as we can afford by borrowing **\$107.7 Trillion** of **imaginary-counterfeit money** from the future Americans (See [Filling the Planet with Junk](#)). We have much, much more **imaginary-counterfeit money** than we have **real earned income**. It is a lot easier to borrow an **imaginary-counterfeit dollar** from the future Americans than it is to earn a **real dollar** by expending effort or producing a product.

Total National Assets of **\$134.0 Trillion**, in the above table, is the estimated private net worth of all U.S. citizens and businesses therefore approximately **80%** of U.S. private net worth is **imaginary-counterfeit money** created by the undertaxing of **USAPonzi** ($\$107.7T/\$134.0 = 0.804$). Current Americans are getting rich by the U.S. Government **imagining** that the future Americans will pay their bills.

USAPonzi is allowing Americans to live dramatically beyond their means because of this injection of **\$107.7 Trillion** of **imaginary-counterfeit money** into their pockets.

USAPonzi is dramatically stimulating the U.S. and global economy with **GAAP basis deficit spending** of **\$5.50 Trillion** in FY2017. This stimulus is actually accelerating because our deficit spending tends to increase exponentially. This is due to the fact that the U.S. Government has to pay real interest on the **National Debt** and virtual interest on the **Unfunded Future Liabilities**. The U.S. Government now has **\$107.7 Trillion** on its credit card and the interest is compounding on the balance due.

USAPonzi has caused the **wealth and income gap** because the U.S. upper class tends to be undertaxed more than the Common Man. **USAPonzi** has created hundreds of **imaginary Billionaires** and millions of **imaginary Millionaires**. **\$107.7 Trillion** of **imaginary-counterfeit money** that the U.S. Government has fraudulently borrowed from the future Americans can make a lot of people appear to be very rich.

The more public liabilities (**US Unfunded Liabilities (GAAP)**) the U.S. Government incurs the richer the U.S. upper class appears to be. The more **Unfunded Future Liabilities** the U.S. Government incurs the more at risk the pensioners, veterans, and social benefit recipients become. The longer this Ponzi scheme operates the more distorted the global financial and economic system becomes. We are building cars, trucks, airplanes, military equipment, houses, apartment buildings, skyscrapers, sports complexes, office building complexes, Las Vegas, Disney Worlds, cities, airports, etc. etc. with the **imaginary-counterfeit money** that **USAPonzi** is producing by pretending to borrow it from the future Americans.

The Common Man works hard to earn **real money** while the U.S. upper class and the U.S. ruling class get paid and get rich by having the U.S. Government produce **imaginary-counterfeit money** by fraudulently borrowing it from the future Americans. We have **Two Classes of People and Two Kinds of Money!**

USAPonzi is bloating the U.S. Government because the U.S. Government is overspending on a Cash basis including spending the tax revenues that were intended to fund the future social benefit promises. The U.S. Government will have to be massively reformed when **USAPonzi** implodes.

The global dominance of the United States of America will be markedly diminished economically, financially, militarily, and politically when **USAPonzi** implodes.

The **imaginary-counterfeit money** in **The Oswald Financial Bubble**, currently **\$107.7 Trillion**, will evaporate into the **"thin air"** from whence it came when **USAPonzi** implodes. **\$107.7 Trillion** is actually quite a lot of money (See **How much money is 2.5 Trillion Dollars?**).

This will cause most banks to fail when **USAPonzi** implodes because most of the money in our banks is **imaginary-counterfeit money** that the U.S. Government has fraudulently borrowed from the future Americans.

The global economy will suffer a **massive economic recession/depression** when **USAPonzi** implodes (See **The Implosion of USAPonzi**).

To eliminate this fraud, the U.S. Government must adopt **GAAP Accounting** and commit to a **balanced GAAP basis budget**.

I have published a website www.usaponzi.net that explains how this fraud works to create a massive global wealth and income gap between the haves and the have-nots and to create false wealth and prosperity for the current Americans. The www.usaponzi.net website is an introduction to my more detailed website www.usaponzi.com and my books "**USAPonzi**" (Nov 22, 2015) and "**USAPonzi2**" (May 1, 2017) which are available on Amazon to better explain this fraud/Ponzi scheme.

This is the biggest (**\$107.7 Trillion**) financial fraud ever perpetrated, I call it "**USAPonzi: The Ultimate Government Fraud**" and "**The Biggest Ponzi Scheme on the Planet**".

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"**Hope** is wishing something would happen.

Faith is believing something will happen.

Courage is making something happen."