

**PETER SCHIFF MASTER IV**

Nick ([06:21:42](#)):

You've picked the global economy crashing once before, what do you see happening now?

Peter ([06:21:50](#)):

Well, I think the main problem is going to be with the United States and the U.S. dollar as the world's reserve currency. I think this period of history is coming to an end. I think the world agreeing to accept the dollar and hold it as the reserve is one of the main reasons that we have the global economic imbalances that we do, and I think it really amounted to a gigantic subsidy that was bestowed on the United States by the rest of the world.

Peter ([06:22:20](#)):

The cost of that subsidy really undermined economic growth outside the United States, but facilitated a bubble within the United States. I think that bubble has popped, and there's a lot of air that's going to come out, and I think it really means a major realignment of exchange rates and living standards, that ultimately is a very positive development for the global economy, and in the long run, even for the U.S. economy, to the extent that we actually do the right thing.

Nick ([06:22:50](#)):

What's the solution for policy makers?

Peter ([06:22:54](#)):

Well, policy makers around the world have to resist the politically popular temptation to do something. The best thing that policy makers can do is do nothing, or better yet, undo some of the damage that they have already done. Meaning, anytime government interferes in the free market, they're doing damage. Government interference is a burden that the economy has to bear, and when the economies are strong, it's easier to bear that burden. But whenever there's economic problems, the burden becomes much heavier and much harder to bear.

Peter ([06:23:39](#)):

So governments should really be shrinking their size. Unfortunately, governments around the world, for political reasons, are doing the opposite. They're spending more money instead of spending less money, because any money the government spends is money it needs to withdraw from the private sector, and the private sector would be much more efficient in the way it invests money or spends money than the government. People think that government is free as long as their taxes aren't going up. But whenever the government is spending, the society has to bear the cost, in one way or another, and that's what's happening.

Peter ([06:24:18](#)):

Of course, governments could also look at a lot of the regulations that are on the books and try to repeal as demanding as possible, so that businesses can focus their resources more productively, and not have the distraction of having to divert some of those resources to comply with regulations that really don't do anything to improve the economy. In many cases, they were put there because there was a political interest that wanted them there, because it favored one group while punishing another. The best thing

is for the government to stay neutral and not to try to use its power to tilt the playing field in favor of certain special interests at the expense of others.

Nick ([06:25:04](#)):

We've seen an unprecedented increase in the role of the state in Australia, thanks to COVID, both with subsidies trying to kick-start or grow our economy, given the pressures, and also in terms of the state telling people how to live their lives. There seems to be a pushback from the ordinary people, population, in respect of this increased role of the state. Do you see that as a phenomenon around the world, where people are pushing back against, I guess, the increased role of the state in terms of regulation, subsidies?

Peter ([06:25:32](#)):

They should be pushing back. I mean, first of all, I think that the health threat of COVID-19 has been exaggerated, but whatever that threat is, the country needs to deal with it without the government adding to the problem by spending more money, and borrowing more money, and making itself bigger. This is just adding a fiscal problem, a monetary problem, onto a health problem. So to the extent that the economy is going to suffer in the short run because it has to deal with this virus, well then that has to happen, because anything that government does now in the name of alleviating the suffering just guarantees that there's going to be a lot more suffering in the long run.

Peter ([06:26:22](#)):

I also think that a lot of people, when they are trying to figure out a policy response, they are not doing the proper cost benefit analysis of the response, because they feel that the government can somehow absorb all the cost, that nobody has to lose any money so long as the government replaces everybody's lost income.

Peter ([06:26:45](#)):

So if we start from the premise that the government can't do that, because the government doesn't have any money that it doesn't first remove from the private sector, so that any response to COVID-19, we have to deal with the consequences, we have to deal with the lost economic activity and the lost income, and there's nothing the government can do to make it up, then I think we're going to have a better cost benefit analysis and come up with a more viable response to COVID-19, rather than the reckless [inaudible 06:27:16] response that we have now, because everybody assumes there's no cost, because they believe that the central banks or the government can replace all the loss income when people are no longer engaged in productive activity.

Nick ([06:27:30](#)):

Do you think people are too willing to pay their taxes without asking, "Is it fair? Should they pay taxes?"

Peter ([06:27:39](#)):

Well, I mean, personally, to the extent we have taxes, taxes should be to fund general government purposes.

Speaker 2 ([06:27:49](#)):

Should we just Wait for that?

Peter ([06:27:50](#)):

Yeah, I'm going to ... My phone is ringing.

Nick ([06:27:52](#)):

Maybe just pop that off the hook.

Peter ([06:27:57](#)):

Just ask me that question again after [inaudible 06:27:59] gets the phone. All right.

Nick ([06:27:58](#)):

Good to go? Peter-

Peter ([06:27:58](#)):

Yeah, just ask me the question.

Nick ([06:28:04](#)):

Are people too willing to pay taxes without questioning if those taxes are fair or reasonable?

Peter ([06:28:13](#)):

Well, I mean, first of all, I think legitimate taxation is for the general benefit of the nation as a whole, not for the specific benefit of any one individual or group of individuals. So I think it's morally wrong, and in the United States it's legally wrong, for the government to take money from one person and then give it to somebody else. But to the extent that money is being used, let's say for national defense, something that benefits everybody, then I think it's a legitimate function of government to impose a tax to pay for the general defense of the nation.

Peter ([06:28:50](#)):

But what a lot of politicians are doing is they're using taxing to basically rob from some people and then give the money to other people in exchange for their votes. So it really amounts to a legalized theft, and I don't care how you want to dress up theft. Just because the government does it, doesn't change the nature of what's going on. It's still theft. They're still taking property from other people against their will. They're taking money from people who earned it and giving it to people who don't.

Peter ([06:29:21](#)):

I mean, it's one thing for somebody to voluntarily help out their fellow man by donating, of their own free will, their own property, but it's another thing to steal it from them, and it doesn't change the nature of that relationship when you vote for the thief and then the thief steals for you. But the other type of taxation that people don't seem to get is inflation.

PART 1 OF 4 ENDS [00:08:04]

Peter ([06:29:44](#)):

... taxation that people don't seem to get is inflation. Inflation is really a tax, right, it's an expansion of the money supply. But when government creates money and spends it, instead of collecting that money

in taxation, the public still bears the cost. Because under legitimate taxation, the government takes your money and gives it to somebody else. But when they create inflation to finance their spending, they're taking your purchasing power and giving it to somebody else. Because when somebody else gets that newly-created money, but they didn't produce any goods or services, and add that value into the economy, they just got money, and now they can buy stuff, they're just bidding on prices. And so now the people that already had money can buy less stuff, because the cost of stuff goes up because you have more money bidding for it. So that loss of purchasing power amounts to a tax. And I think the inflation tax is going to get higher and higher, and that's what people really need to object to.

Nick ([06:30:47](#)):

Peter, why did you start your own bank in Puerto Rico?

Peter ([06:30:52](#)):

Well, I initially started it outside of Puerto Rico, and eventually moved it there because I moved to Puerto Rico myself. And there were significant tax advantages of my bank being in Puerto Rico. And there were some other advantages. There was a stigma about banks in the Caribbean, and I didn't think we could have that stigma being in Puerto Rico, considering that is part of the United States. So I thought it would give the bank a better image with the regulators, and of course it was more advantageous personally for me tax-wise for the fact that I had moved to Puerto Rico myself.

Peter ([06:31:30](#)):

But the original reason that we set this bank up... I did want to have a facility for people who follow me to invest with me, without having to go through the U.S. for them. I thought it would be easier to have foreigners investing through my offshore bank. But now I've kind of given that up. I'm taking foreign accounts now through my asset management company in Puerto Rico, Euro Pacific Asset Management. So I'm doing a lot more asset management there than through the bank.

Peter ([06:32:03](#)):

The kind of bank has really evolved more into a business bank for offshore companies that have a lot of transactions, that do a lot of foreign exchange. We offer very competitive rates and we also don't make loans. My bank is a hundred percent reserve bank. And so right now you have a lot of these banks that have very, very risky loan portfolios. Nobody gets any interest on a bank deposit anyway. So why take the risk where there's no reward? So my bank doesn't want [inaudible 06:32:36] deposits. So at least my customers can rest comfortably knowing that my bank's not going to fail because I'm not making any loans that can go back. I'm just holding the deposits and I'm facilitating their transactions.

Peter ([06:32:52](#)):

And we've got clients around the world. Again, it's mostly small businesses who deal with a lot of payments and they want to be able to make them efficiently. And they don't want to worry about banks failing between payments.

Nick ([06:33:07](#)):

How many Australians are using your bank?

Peter ([06:33:12](#)):

I don't know. I don't know the exact number.

Nick ([06:33:16](#)):

Why do you think Australians are using your bank? Is it because they're concerned about banking in Australia?

Peter ([06:33:23](#)):

No, I think in general reason that people are using an offshore bank is they generally have an offshore business and they're dealing in multiple jurisdictions and multiple currencies. And it's just a much more efficient way to operate. I find that a lot of the domestic banks, the cost of doing these transactions were very high. And so I think I just offer a more efficient model as far as the cost structure to facilitate these transactions.

Peter ([06:33:57](#)):

It's mostly people operating businesses. It's not a lot of just savings accounts. Although there can be some people that are worried about banks failing. About banks that could go out of business, about bail-ins. There are some government insurance schemes, but you don't have that concern with my bank. And we also do give people the ability to hold gold or silver as an alternative to [NCI 06:34:23] currency.

Peter ([06:34:24](#)):

So there's not a lot of banks that necessarily do that. We will allow our customers to dominate deposits in gold or silver. In fact I'm working on a program that will really make it easier for my customers to transact in gold and silver, to use gold and silver as [inaudible 06:34:42]. My banking program recognizes gold as a currency, so it treats it the way it treats the Euro or the Yen, or the Pound or the Aussie Dollar. And so it really makes it a lot easier for people to have debit cards linked to gold, to do electronic checks on a gold deposit. And I think more and more people are going to be worried about the inflation tax, not just worried about the bank failing, but worry about the value of their currency failing. On the deposits losing value to inflation and so people I think want the ability to be able to choose which fee or currency they want to hold their savings in, or to hold real money, gold, and no fee or currency.

Nick ([06:35:26](#)):

Tell me about your relationship with the Perth Mint in Australia.

Peter ([06:35:32](#)):

Yes, I've had a relationship for a long time. No, I started with the Perth Mint program I think back in 2002. I became a dealer at my brokerage firm, Euro Pacific Capital, and we started Perth. I really liked the program that they had there. I thought it was a good alternative to let's say ETF where people are worried about maybe the gold's not really there. It seemed like it was a good program. It was backed up by the government in Australia. It was reinsured for Lloyd's. Also, it seemed like a safe depository, there were no storage fees for gold, at the time... In fact, there were no storage fees for silver when I first started, if it was unallocated. They later ended up adding some storage fees.

Peter ([06:36:17](#)):

But I thought it was a great program. We ended up with a lot of our client's money at the Perth Mint. And then when I opened up Euro Pacific Bank, we just established the relationship there as well. So that our bank customers can also use the Perth Mint as a secure depository for their bullion.

Nick ([06:36:37](#)):

So just take me through that. Why should Australians using your bank in Puerto Rico be assured of the security of their money because of the link to the Perth Mint?

Peter ([06:36:50](#)):

Well, the security of their bank depositor or the security of their gold?

Nick ([06:36:55](#)):

Why is it attractive for Australians to use your bank knowing that the Perth Mint's involved. What's the attraction?

Peter ([06:37:03](#)):

Well, I think if they like gold, one of the additional attractions was the fact that we had a debit card that was linked to gold so that somebody can go and take a debit [inaudible 06:37:13] and they could use it. And they would be able to spend their gold. So their purchasing power would be gold while they're waiting to utilize it rather than a Fiat currency that would depreciate in value. But it's more of a convenience. Once you have a bank account with me, you can do a number of things. You can open up a brokerage account linked to that bank account. You can buy bullion, you can deal with foreign exchange. There are a lot of things so once you have an account, I guess it's a convenient way. But I'm sure a lot of my [inaudible 06:37:45]

PART 2 OF 4 ENDS [00:16:04]

Peter ([06:37:44](#)):

It was... I guess it's a convenient way. But I'm sure a lot of my customers who have gold through my bank have gold in other jurisdictions or other locations. I mean, I recommend that people diversify their gold storage. Don't put all your eggs in one basket. I mean, people should have gold at home and they should have gold in various depositories just for political risk. You know? Diversify.

Nick ([06:38:08](#)):

I should ask you, do you actually have Australian customers with your bank?

Peter ([06:38:13](#)):

Yeah. Actually we do. I don't know exactly how many customers we have. We have customers in well over a hundred different countries. So, it's a global bank, and so there are people from around the world.

Nick ([06:38:27](#)):

Just take me through. How does an Australian start up an offshore bank account?

Peter ([06:38:32](#)):

I don't know. You're asking me a lot of questions about the bank. I am not involved in the day-to-day operations of the bank. I am a shareholder of the bank and that's my entire role. I don't manage it. I don't run the operations.

Peter ([06:38:47](#)):

But I would suggest if you're interested in the bank, you could look at the website and there are instructions on our website on how to go about opening up an account.

Peter ([06:38:56](#)):

You know, these days it's not easy to open up a bank account. There's a lot of paperwork that you need to go through to open up an account. There's a lot of compliance. AML, know your customers. More people who apply for accounts in our bank are turned down than are approved. So it's not easy to get an account or a bank. You really have to go through the ringer before you're actually allowed to open one. But I would suggest that if you're interested, just try to open one. We don't take Americans, but we do take Australians.

Nick ([06:39:32](#)):

Why not Americans?

Peter ([06:39:33](#)):

Excuse me?

Nick ([06:39:33](#)):

Why not Americans?

Peter ([06:39:34](#)):

Well, we're probably going to start taking in Americans at some point. But when I initially started, I really wanted to keep my American customers in the U.S. I didn't want to [inaudible 06:39:46] out to the offshore bank. And there was a lot more regulations there. So it just seemed a lot easier to split the business. Domestic customers in the U.S., and international customers [inaudible 06:23:59].

Peter ([06:39:59](#)):

But now, like I said, I'm taking a lot more international customers at my asset management company. We have more now that we're taking at the bank. We do want to open it up to Americans, but there's more things that we have to do to make that happen. But it will happen eventually.

Nick ([06:40:16](#)):

Peter, to prepare for this interview, I have spoken to some investigators around the world. They say your bank's facilitating organized crime and corruption, money laundering, tax evasion. Is that true?

Peter ([06:40:29](#)):

Well, first of all, I don't really like the direction of the interview, because nobody told me that you were going to talk to me the bank. So that really wasn't what the interview was supposed to be about. Because I know had that been the case, I might not have agreed to even do the interview.

Nick ([06:40:53](#)):

Why not? Is your bank involved in facilitating-

Peter ([06:40:55](#)):

No. [inaudible 00:06:40:57]. Look, the bank is not looking for publicity. There have been some allegations. All of the allegations are unfounded, and there's no basis, in fact, for any of them. But since there is an investigation, it's not really something that I want to talk about or call attention to. Nobody has actually been found... I mean, we've complied with all sorts of requests for information, but nobody has actually found that my bank has done anything wrong. I seriously doubt that they will.

Peter ([06:41:29](#)):

As I said, it's very difficult to open an account with my bank. We probably turn down a lot of honest people because the process is so difficult. I think we go above and beyond. We probably do a lot more than your typical bank to make sure that everybody that's opening up an account is doing so for legitimate, lawful purposes. And we have done nothing to facilitate the opposite.

Nick ([06:42:00](#)):

There's an organized crime figure in Australia called Simon Anquetil who was using your bank. How can such a notorious crime figure be allowed to get through the front door of your bank?

Peter ([06:42:12](#)):

You're asking me questions that I cannot answer, because I do not work at the bank. I'm not a compliance officer. I have nothing to do with the daily operations of the bank.

Peter ([06:42:24](#)):

But I can tell you that it is very difficult. As I said, try to open up an account with the bank. Try to pose as a suspicious character. There's no way you're going to get through compliance. So to the extent that somebody got through compliance, they were pretty squeaky clean. I'm sure that they have accounts at other banks in addition to mine. If they passed through our KYC, that means they were pretty good.

Peter ([06:42:52](#)):

Does that mean you can catch everybody? You know, from what I understand too, everybody that people are interested in is accused of potentially evading taxes. Not laundering money, not drug dealing, not terrorists. So that's kind of the hardest thing for a bank to know. Even though you put somebody through all of the compliance, it's impossible to know if every customer is compliant with their local tax laws. I mean, nobody would know that. You try your best to figure it out, but it's not possible to catch everybody.

Nick ([06:43:33](#)):

If people are using your bank to evade taxes, would that be a bad thing in your mind?

Peter ([06:43:41](#)):

Well, that's not why the bank is there. But are there some people who may have accounts that aren't compliant? I'm sure. But I would imagine that the ratio at our bank is probably lower than at typical

banks, including onshore banks. I mean, every major bank, some of their customers are not compliant with their taxes, maybe. So, you can't hold my bank to a standard that's impossible to meet.

Peter ([06:44:14](#)):

But we certainly don't market to people who are trying to evade taxes. That's not anything that's on our website. That's nothing that we do. We don't go out of our way to facilitate it. In fact, we do everything that we can to prevent that from happening.

Nick ([06:44:30](#)):

Is that-

Peter ([06:44:30](#)):

But again-

Nick ([06:44:30](#)):

Peter, is that-

Peter ([06:44:30](#)):

I really don't-

Nick ([06:44:30](#)):

I understand. I-

Peter ([06:44:35](#)):

... appreciate it. Because I [inaudible 06:44:35] do the interview, because I know the bank doesn't want to draw attention to these false allegations. I didn't want to do an interview about a bank. I thought you wanted to talk to me about the economy... About, stuff like that. Not about what's happening at the Euro Pacific Bank.

Nick ([06:44:53](#)):

Peter, you say your marketing attracts only law-abiding people. But the marketing for the bank, some of those pushing it, say to clients, "You can connect with the bank via military grade encrypted communications." "It'll be total secrecy." "It's in Puerto Rico." Aren't they all things that a tax evader or criminal would want?

Peter ([06:45:16](#)):

No, no, no. [inaudible 06:45:17]. There's nothing about our bank that talks about secrecy or privacy or anything like that. The only thing that was stressed, is [inaudible 06:45:27] bank, that we don't make loans, and that we have competitive rates.

Nick ([06:45:31](#)):

But the whole-

Peter ([06:45:32](#)):

[crosstalk 06:45:32] we have-

Nick (06:45:32):

Peter, the whole-

Peter (06:45:32):

[inaudible 06:45:34]-

Nick (06:45:32):

Peter, the whole-

Peter (06:45:32):

... and our rates are competitive.

Nick (06:45:36):

The whole-

Peter (06:45:37):

There's nothing on the website that suggests that you have any type of extra privacy or extra secrecy...

PART 3 OF 4 ENDS [00:24:04]

Peter (06:45:44):

And you have no type of extra privacy or extra secrecy as a result of having a bank account with us.

Nick (06:45:47):

But isn't that-

Peter (06:45:48):

You're subject to all the same rules and regulations and... You're not any more private than any other bank that you could choose.

Nick (06:45:59):

But Peter, those marketing your bank, your referral agents, they consistently say the reason to use your bank is because of its great secrecy and low or no taxes.

Peter (06:46:09):

[inaudible 06:22:12].

Nick (06:46:10):

Patrick Flynn, a lawyer in Queensland.

Peter (06:46:13):

[inaudible 06:46:13] There's no banking secrecy in Puerto Rico. I don't even understand. Puerto Rico is not even a tax haven. I mean, it is for me, but not for banks. There's no secrecy there at all. There's no special privacy. It's...

Nick ([06:46:31](#)):

The whole point of someone in Australia setting up an account in Puerto Rico is to avoid or minimize their tax, is it not?

Peter ([06:46:37](#)):

No.

Nick ([06:46:38](#)):

What's the reason?

Peter ([06:46:40](#)):

So you're saying to me that the only reason that anybody would use an offshore bank is to evade taxes. You don't think there's any legitimate purposes that all these banks satisfy all around the world.

Nick ([06:46:55](#)):

Well, you're the expert. Isn't that a reason why many people use these banks? To avoid paying taxes?

Peter ([06:47:02](#)):

You don't have to have an offshore bank to not pay your taxes. But first of all too... Australians are not even taxed on their worldwide income, like Americans are. So if an Australian operates a business in South America and that business generates a profit, Australia is not taxing them on that profit.

Nick ([06:47:27](#)):

But isn't this the problem, Peter-

Peter ([06:47:27](#)):

[crosstalk 06:47:26], they don't owe it.

Nick ([06:47:28](#)):

What we've been told is Australians are hiding their profits they're making in Australia by setting up offshore structures, and then using your bank to hide their profits. Sometimes they're dirty profits.

Peter ([06:47:43](#)):

Well, I seriously doubt that. There's been no evidence, but to ... look, again, no safe is perfect. If somebody cracked it... If they certainly find that somebody evaded taxes and put the money in my bank, it's not because we help them. It's simply because we weren't able to figure it out. But as I said, you're going to find the same situation with other banks. I mean, how many people in Australia do you think are lying on their taxes? I mean, what's the number?

Nick ([06:48:18](#)):

Probably quite a few, but I imagine many of those-

Peter ([06:48:21](#)):

I bet if any of them are using my bank, it is a tiny fraction, if any. It's not my bank's mission to administer the tax laws of Australia.

Nick ([06:48:39](#)):

What happened-

Peter ([06:48:42](#)):

[crosstalk 06:48:42] Australia enforce its laws, and if Australia believes that there's somebody using my bank, they have proper channels for they can go through the regulators in the United States and get information on the positives. I mean, there are channels to do this. If they think, here's an Australian at this bank, they can get the information. All they have to do is go through proper channels and they'll get it. As I said, there is no extra secrecy that people enjoy by having a deposit in my bank then they would have in any other bank, including a bank in Australia.

Nick ([06:49:19](#)):

So Australian tax authorities do think that your bank is facilitating tax evasion and organized crime. What happened on January 24 this year?

Peter ([06:49:27](#)):

I don't know what you're referring to.

Nick ([06:49:31](#)):

Well, didn't the IRS pay you a visit?

Peter ([06:49:33](#)):

Look, I just said, I don't want to discuss all of these questions about the bank or what may or may not have happened. I'm just going to give you a final answer on the bank. And I'm going to say that there was no problem at my bank. There is no proof that the bank is being used to facilitate any illegal activity. The bank was not set up for that purpose and nor has it been operating for that purpose. And whatever these allegations are, my anticipation is that nothing will come of any of them. And all of the allegations will be withdrawn. And any regulators will find that any concerns that they have about my bank were misplaced.

Nick ([06:50:20](#)):

How is it that organized crime investigators, tax investigators in the Netherlands, the United States, the United Kingdom, Canada and Australia think that your banks facilitating organized crime. But is it not... It's a fair thing to ask. Authorities in the Netherlands-

Peter ([06:50:38](#)):

It's not a fair thing to ask. I've already spoke longer on this topic than I intended, because at no point did you ever tell me that the purpose of this interview was to discuss your specific thing-

Nick ([06:50:49](#)):

But-

Peter ([06:50:50](#)):

...because as I said, I am not really well positioned to discuss the bank that I don't work for. I'm a shareholder of the bank.

Nick ([06:50:57](#)):

But Peter-

Peter ([06:50:57](#)):

I am a passive owner of the bank, so I am not involved in its daily operations.

Nick ([06:51:02](#)):

But the bank trades on in your name. The bank uses you-

Peter ([06:51:06](#)):

[inaudible 06:51:06] really want to discuss.

Nick ([06:51:07](#)):

I appreciate that. The bank uses you as it's a key piece of marketing though, so therefore you have a responsibility, don't you? If the bank goes sour, it's on you.

Peter ([06:51:15](#)):

I've already told you that there is ... that the allegations that you are referring to are false. None of them have been proven and none of them will be proven, because there's no evidence to support anything. Look, anybody can allege something, but it's another thing to actually have facts that prove it.

Nick ([06:51:36](#)):

Let me tell you-

Peter ([06:51:37](#)):

[crosstalk 06:51:37] somebody may have evaded their taxes, and they may or may not have had an account at my bank. It doesn't mean that my bank did anything wrong in the process of opening up that account.

Nick ([06:51:49](#)):

So let me tell you a fact. The Kinahan crime syndicate of Ireland, one of the biggest multinational drug syndicates in the world, has used your bank to facilitate-

Peter ([06:52:00](#)):

How did you know they use my bank?

Nick ([06:52:02](#)):

It's my job. I'm a journalist. I've researched that, but shouldn't you know that?

Nick ([06:52:08](#)):

Shouldn't you know that? Has the Kinahan crime syndicate used your bank.

Peter ([06:52:13](#)):

Okay. So are you telling me, as a journalist right now, that you know for a fact that this crime syndicate is utilizing my bank.

Nick ([06:52:21](#)):

I'm asking you that question. Is the crime syndicate using your bank? I asked the questions here.

Peter ([06:52:26](#)):

I've never heard of that syndicate. I'm asking you. You're telling me that they are. Are you saying for a fact that they are?

Nick ([06:52:34](#)):

My research tells me they are and I'm asking you, why is that the case?

Peter ([06:52:39](#)):

No, because I want to know if I have a basis for a lawsuit against your paper or whatever, network that you're working for. Are we making that allegation right now. Are you officially say that my bank is ... has a couch for these individuals.

Nick ([06:52:57](#)):

I'm putting to you that your bank has accounts for organized crime figures. That's right.

Peter ([06:53:01](#)):

Now I'm telling you that we don't, but if you want to tell me right now that we do, that's fine because now, if that's not true, because I can look at the records and find out, then I have the basis of a lawsuit against you. So are you in fact telling me right now that you know for a fact that this crime syndicate is utilizing Euro Pacific Bank?

Nick ([06:53:23](#)):

Peter, shouldn't you be more concerned if organized crime is using your bank?

Peter ([06:53:26](#)):

[crosstalk 06:53:26] answer that question. You're saying it. Is it just a mere allegation? Are you.

PART 4 OF 4 ENDS [00:31:50]

Peter Schiff ([06:58:03](#)):

Are you speculating or do you know?

Nick ([06:58:06](#)):

Shouldn't the question be for you?

Peter Schiff ([06:58:08](#)):

No, you answer my question.

Nick ([06:58:10](#)):

No, I'm the journalist here. I'm asking the questions here, sir.

Peter Schiff ([06:58:14](#)):

No. [crosstalk 06:58:15] No. I'd like you to answer. But you can't just make an allegation against me. I've already told you, I've never heard of that crime syndicate and I seriously doubt that anybody operating it has an account at my bank. Now if you believe otherwise, then [inaudible 06:58:30].

Nick ([06:58:30](#)):

Well Peter, why is it the tax authorities in Australia, the United Kingdom, Canada, America, and the Netherlands all believe your bank is facilitating tax evasion and serious organized crime?

Peter Schiff ([06:58:42](#)):

I don't know. Have you asked them? Because we're not.

Nick ([06:58:42](#)):

I'm asking you. You run the bank. It's your bank.

Peter Schiff ([06:58:43](#)):

You ask them. We're not facilitating tax evasion or organized crime or anything like it.

Nick ([06:58:54](#)):

Well what do the-

Peter Schiff ([06:58:58](#)):

If they think it's happening, it's got nothing to do with reality. There's a lot of things that a government could believe that might not be true. You shouldn't be asking me. Why don't you ask those governments why they believe it?

Nick ([06:59:09](#)):

I can assure you, I will. What did you tell the IRS when they came to you this year?

Peter Schiff ([06:59:13](#)):

I told you, I'm not talking to you about my personal interactions that may or may not have happened with the IRS. All I can tell you is there is no tax evasion going on at the bank. The bank is not facilitating anything and nothing has happened to the bank. My bank is operating business as usual, nobody has tried to [impede 06:59:38] our activity, nobody has said we've done anything wrong.

Nick ([06:59:43](#)):

Do you appreciate that there is a chance that criminals may be attracted to your bank because of the low taxes and the secrecy the bank referrers promote?

Peter Schiff ([06:59:50](#)):

There is no secrecy.

Nick ([06:59:55](#)):

Well certainly-

Peter Schiff ([06:59:56](#)):

I've told you that. There is no secrecy at our bank.

Nick ([06:59:57](#)):

The mere fact that it's in Puerto Rico, away from the multi-

Peter Schiff ([07:00:02](#)):

[inaudible 07:00:03].

Nick ([07:00:05](#)):

So-

Peter Schiff ([07:00:05](#)):

No, Puerto Rico isn't away from anything. Puerto Rico is part of the United States. It is a U.S possession. U.S laws apply in Puerto Rico. There's no more secrecy in Puerto Rico than in any of the 50 States.

Nick ([07:00:18](#)):

Well that's not quite true, is it?

Peter Schiff ([07:00:21](#)):

It's a [inaudible 07:00:19].

Nick ([07:00:21](#)):

Isn't it correct that Puerto Rico is not part of the Multilateral Competent Authority Agreement, therefore does not share information about potential tax evasion, et cetera, with global authorities? Isn't that the reason you're in Puerto Rico?

Peter Schiff ([07:00:37](#)):

Puerto Rico is in the same situation as every bank in every American state. So what you're saying, applying to Puerto Rico, is the same for banks in the States, every state.

Nick ([07:00:48](#)):

But-

Peter Schiff ([07:00:48](#)):

So we're compliant with the laws of the United States. Now if you have a problem with the banking laws in the United States, well that's fine, but we are complying with those laws.

Nick ([07:00:59](#)):

Appreciate that. The reason you moved to Puerto Rico was because, as you say, other States in the U.S are compliant with this multilateral agreement. Is it-

Peter Schiff ([07:01:09](#)):

No. It isn't. I you why. I already told you why I moved to Puerto Rico. It had nothing to do with those banking laws. It had to do with my personal tax situation, because if I have a company in Puerto Rico, my income is taxed more favorably, than if my company operates outside of Puerto Rico. And also, we were told that Puerto Rico was a better jurisdiction, that it would be easier for us to get a direct relationship with the federal reserve, which we have since obtained. And it would be easier for us to become direct issuers of MasterCard or Visa or American Express.

Peter Schiff ([07:01:43](#)):

If our bank was in Puerto Rico versus in a Caribbean island that was traditionally considered a tax haven. So we moved to Puerto Rico to be in a jurisdiction that was actually more compliant and had a better reputation around the world so that we would be able to offer the services that we wanted. And in fact, there was a bank secrecy law. When we started out, we were in St. Vincent's, and they did have bank secrecy as part of their banking laws. We gave all that up. When we moved to Puerto Rico, Puerto Rico has no bank secrecy.

Nick ([07:02:24](#)):

But the big difference between the two jurisdictions, is it not, is that Puerto Rico is not part of the MCAA, therefore it doesn't share information with countries like Australia.

Peter Schiff ([07:02:34](#)):

Well, that difference had nothing to do with our decision to move.

Nick ([07:02:41](#)):

But why are your referrals- [crosstalk 07:02:42]

Peter Schiff ([07:02:41](#)):

It's because Puerto Rico is an American bank, so Puerto Rico complies with all the rules for American banks. That's why that's like that. We have no control over that.

Nick ([07:02:54](#)):

So have you then handed over the details sought by Australian, U.S, et cetera, authorities about your customer base to the tax authorities who targeted you and your bank this year? Have you handed-

Peter Schiff ([07:03:06](#)):

[inaudible 07:03:07]. I am not involved with the day to day operations... I'm just going to get out of this chair, if you're going to keep asking me these kind of questions. I've already answered the question that we're not involved in any illegal activity, the bank was not set up to facilitate illegal activity, everything we can to make sure it doesn't happen, including turning down far more accounts than we approve because our compliance is so rigorous. And in fact, if you think we're doing something wrong, why don't you try to open up an account at our bank? Go there under the [inaudible 07:03:41] name and give us some BS and see if you can actually open up an account. I dare you.

Nick ([07:03:46](#)):

Well Peter, we've tried to do that.

Peter Schiff ([07:03:48](#)):

Have you tried to open up an account at our bank?

Nick ([07:03:50](#)):

Yes we have. So we've gone to one of your-

Peter Schiff ([07:03:52](#)):

Oh, you have?

Nick ([07:03:53](#)):

We've gone to one of your referrers, your bank referrers, and he has promoted... This bank referrer promotes your bank because of the low taxes and secrecy.

Peter Schiff ([07:04:06](#)):

Well, first of all, none of the people who refer business to our bank work for us, right? We don't have any control over people who refer their clients to our bank. But if there is a referral agent who is telling people that they get some extra secrecy at our bank, they're wrong because they don't get it. We don't market that, we don't advertise that, and we don't provide that. But can I be responsible for what an independent affiliate... Or not even affiliate, somebody who's referring me a business? I don't know what they're necessarily saying to their own customers, but I seriously doubt that they're saying that because it's just not true. And so if people think they're going to get secrecy at my bank, they're not, because we don't have it.

Nick ([07:04:56](#)):

Isn't it... Fair enough. You say, "I'm not involved in the day to day operations of the bank," yet your name is affixed to the bank. The bank markets itself on the back of your reputation.

Peter Schiff ([07:05:09](#)):

My name is not on the bank. It's Euro Pacific Bank. It's not Peter Schiff bank.

Nick ([07:05:12](#)):

But everyone knows it's Peter Schiff's bank, though.

Peter Schiff ([07:05:12](#)):

Well, not everybody. In fact, as a [inaudible 07:05:16] initially, the bank is [inaudible 07:05:19] initially was started so that I can have my investment clients investing money and be managing their money through the bank. A long time ago, we [inaudible 07:05:27] most of the customers at the bank don't even know who I am. They're not necessarily Peter Schiff fans who have read my book and who were following my investment strategy. The clientele of the bank is more traditional banking business from individuals that are operating multinational companies. And there is a legitimate marketing niche for offshore banks, and we serve a purpose and we provide a valuable service. It has nothing to do with people trying to not pay their taxes.

Nick ([07:06:06](#)):

What do you think of the Panama Papers? Was that a bait up in your mind?

Peter Schiff ([07:06:09](#)):

Look, none of that involved me or my name.

Nick ([07:06:14](#)):

Hasn't your business used Mossack Fonseca? It's named in the Panama Papers.

Peter Schiff ([07:06:23](#)):

So, as I said, why don't you ask me some other questions about the economy, about anything that I normally talk about. But if the only thing you want to do is talk about Euro Pacific Bank, then I just really don't have anything else to talk about and I think we should just end the interview.

Nick ([07:06:39](#)):

Peter, if you've got nothing to hide, you can answer these questions. Why have your businesses used Mossack Fonseca? [crosstalk 07:06:46].

Peter Schiff ([07:06:46](#)):

You should have approached me in the beginning... I do have nothing to hide, but that doesn't mean that call additional attention to this investigation.

Nick ([07:06:56](#)):

Well respectfully, you are at the center of the biggest tax investigation in the world.

Peter Schiff ([07:07:00](#)):

When the regulators find nothing, right? Whatever they're suspicions are, when they are not confirmed by the actual records of the bank, then all the investigations will close. And so why don't we just allow the process to work out?

Nick ([07:07:17](#)):

Do you at least acknowledge, Peter, you are... Can you at least acknowledge your bank is at the center of the biggest tax evasion investigation in the world today.

Peter Schiff ([07:07:26](#)):

Are you making an allegation against my bank?

Nick ([07:07:31](#)):

It's not me that's making the allegation, the authorities have. You know that well.

Peter Schiff ([07:07:33](#)):

If you want to make an allegation against my bank, then you just stand by it, and then we'll see if there's any legal repercussions.

Nick ([07:07:42](#)):

I'm not making the allegation, as you well know, the tax authorities-

Peter Schiff ([07:07:44](#)):

Well you sound like you are [inaudible 07:07:43].

Nick ([07:07:46](#)):

Well the tax authorities are making the allegation. They raided your bank, they're targeting your bank.

Peter Schiff ([07:07:49](#)):

You're making an allegation. Nobody has told us that we've done anything wrong. Nobody.

Nick ([07:07:58](#)):

Well, you do know the IRS visited you this year, surely that was an indicator.

Peter Schiff ([07:08:04](#)):

[inaudible 07:08:04] investigated for all sorts of reasons. Doesn't mean you did anything wrong. Maybe they just wanted some records because they thought somebody else did something wrong or they thought maybe we had records that would help in that investigation. But I'm going to tell you that nobody from any regulatory body has found that we had done anything wrong. And we're certainly not operating this bank for the purpose of facilitating tax evasion. I'll let you in on a little secret. I started this bank about, I don't know, six, seven years ago, and I get to take any distributions, right? So personally, I haven't actually made any money from my ownership of this bank since the day I started it. And I put millions of dollars in capital to set the bank up. So I'm certainly not facilitating tax evasion for nothing.

Peter Schiff ([07:08:54](#)):

Why would I operate the business and not make a nickel? And one of the reasons that I haven't made any money yet at the bank is because so much of my revenue is tied up in compliance. I have to spend so much money to make sure nobody is laundering money from my bank. That's what I spend most of my money on. Most of my money goes to compliance, and I'm spending all this money on compliance and so there's nothing left over for me. Now eventually, I'm hoping that the bank will be profitable, but so far it hasn't been. And to say that, "Oh, I'm facilitating tax evasion," why? I haven't benefited one nickel, what would be the reason that I would want to encourage people to commit crimes and take all kinds of risks personally, that I might be punished, to make no money?

Nick ([07:09:43](#)):

So why do you think these tax authorities are targeting you? Is it because of your celebrity status?

Peter Schiff ([07:09:51](#)):

They're not really targeting... Ask them. Ask them, don't ask me.

Nick ([07:09:54](#)):

I'm asking you, they've come to your door. Why do you think?

Peter Schiff ([07:09:57](#)):

I already told you. We did nothing wrong.

Nick ([07:10:01](#)):

So you say you've done nothing wrong, the bank's done nothing wrong, why are they targeting the bank? It's a big mistake?

Peter Schiff ([07:10:08](#)):

I'm telling you I've done nothing wrong and no regulators [inaudible 07:10:10] have done anything wrong. And I don't think you should keep insinuating that I have.

Nick ([07:10:16](#)):

Peter, what if I told you that a Russian organized crime figure, a cyber criminal, behind one of the biggest organized criminal cyber scams in the world banks with your bank?

Peter Schiff ([07:10:27](#)):

Again. Are you telling me for a fact that this individual does bank with my bank?

Nick ([07:10:33](#)):

Yes.

Peter Schiff ([07:10:33](#)):

Is that what you're saying?

Nick ([07:10:34](#)):

I'm telling you these organized crime figures bank with your bank.

Peter Schiff ([07:10:36](#)):

And give me a name.

Nick ([07:10:39](#)):

Simon Anquetil of Australia.

Peter Schiff ([07:10:41](#)):

Who?

Nick ([07:10:42](#)):

Simon Anquetil.

Peter Schiff ([07:10:44](#)):

Who?

Nick ([07:10:44](#)):

His name is Simon Anquetil, he's an organized crime figure. [crosstalk 07:10:49] He's in jail.

Peter Schiff ([07:10:51](#)):

Send me the name, and I will send it to my bank and I will see if this individual has an account or any entity that I'm involved in. And if not, then maybe you'll hear from our lawyers.

Nick ([07:11:03](#)):

But if your compliance is so good, how come these org-

Peter Schiff ([07:11:06](#)):

If you're going to [inaudible 07:11:07] right now, that this person has an account with my bank, and they don't, well I think that's [actual 07:11:15].

Nick ([07:11:15](#)):

You're asking me about who has accounts with your bank. Shouldn't you know?

Peter Schiff ([07:11:19](#)):

[crosstalk 07:11:19] You're telling me that organized criminals have accounts at my bank. I don't think that you have any proof of that.

Nick ([07:11:26](#)):

Well I'm putting to you what law enforcement and tax authorities around the world think, as you well know.

Peter Schiff ([07:11:32](#)):

Well, they're not telling us. They're not having to say anything to me.

Nick ([07:11:36](#)):

They are. What did they say to you when the IRS came to your business, to you this year? What did they tell you?

Peter Schiff ([07:11:45](#)):

Look, as I said, they didn't say that we did anything wrong.

Nick ([07:11:47](#)):

What did they say?

Peter Schiff ([07:11:50](#)):

I'm not allowed to discuss it. [inaudible 07:11:54] government.

Nick ([07:11:56](#)):

Peter, respectfully, your bank's at the center of the biggest tax evasion investigation in the world. Now these are fair question.

Peter Schiff ([07:12:03](#)):

I seriously doubt that. I seriously doubt that we're at the center of anything. We're at the [inaudible 07:12:11] at best, and we're not even involved in it. We somehow got caught up in whatever's going on, but there are no valid allegations against the bank. That's it.

Nick ([07:12:22](#)):

If it turns out-

Peter Schiff ([07:12:25](#)):

Either talk to me about something else, if the sole purpose of this interview was to bait and switch me into an interview about the bank, then let's just end it.

Nick ([07:12:36](#)):

Let me ask a few more questions and then we can end the interview.

Peter Schiff ([07:12:42](#)):

Not about the bank. I'm not doing any more bank questions.

Nick ([07:12:42](#)):

If it turns out, Peter-

Peter Schiff ([07:12:44](#)):

I've already answered more questions about it that I need to. And I don't appreciate that tone of your questions or the insinuations that you're making about the bank. Or about me.

Nick ([07:12:54](#)):

I understand, that's coming through loud and clear. If it turns out that organized criminals, tax evaders, cyber criminals have been using your bank, well you can say that- [crosstalk 07:13:05]

Peter Schiff ([07:13:04](#)):

Now you're saying "if it turns out." Before you said that you knew that they were, now you're saying "if it turns out."

Nick ([07:13:14](#)):

Let me rephrase the question, then. Let me rephrase the question, then. [crosstalk 07:13:20].

Peter Schiff ([07:13:17](#)):

I'm not answering any more questions about the bank. That's it. I'm done.

Nick ([07:13:23](#)):

I'll rephrase the question. It's a fact that organized crime, tax evaders, fraudsters are using your bank. How is that possible if you have good banking controls?

Peter Schiff ([07:13:31](#)):

No more questions. No more questions.

Speaker 3 ([07:13:31](#)):

No one can use it.

Peter Schiff ([07:13:31](#)):

No more questions.

Speaker 3 ([07:13:35](#)):

No one can even use it, Peter.

Peter Schiff ([07:13:35](#)):

Good.

Speaker 3 ([07:13:36](#)):

This is [inaudible 07:13:38]. I don't even know what they're trying to do.

Nick ([07:13:42](#)):

Peter, it's fair enough to ask these questions, given the circumstances.

Peter Schiff ([07:13:48](#)):

No. Interview's over.

Speaker 3 ([07:13:49](#)):

I don't understand what their point is.

Peter Schiff ([07:13:57](#)):

I'm going to call Mark, and Adam, call our lawyers. Maybe put a subpoena on this [inaudible 00:07:14:03].

Speaker 3 ([07:14:04](#)):

Yeah, I mean, they should definitely not.

Peter Schiff ([07:14:06](#)):

No, I'm going to call them right now. Give me the name of this organization.

Speaker 3 ([07:14:10](#)):

Hi. What was the point of you asking? What were you trying to get out of this interview?

Nick ([07:14:17](#)):

Your husband's bank is at the center of a major investigation, which we're investigating. So they're fair questions to ask. Peter is a public person. He's running a bank-

Speaker 3 ([07:14:27](#)):

I'm sorry, what?

Nick ([07:14:28](#)):

Peter is a public person. He's a media person. He's running an international bank that's at the subject of a large investigation.

Peter Schiff ([07:14:35](#)):

[crosstalk 07:14:35] Go away.

Speaker 3 ([07:14:35](#)):

Yeah.

Peter Schiff ([07:14:36](#)):

Just go away from me.

Speaker 3 ([07:14:44](#)):

You should definitely not let him [inaudible 07:14:45].

Speaker 3 ([07:15:10](#)):

Well, what are you going to do?

Speaker 3 ([07:15:20](#)):

I mean, first of all, you're the tiniest little thing and you're not within eight feet of anything. Lucy, stop.

Speaker 3 ([07:15:36](#)):

Peter, they're still filming.

Peter Schiff ([07:15:40](#)):

That is just very rude. I want to talk to you right now.

Speaker 3 ([07:15:42](#)):

Peter, they're still... Can you stop filming?

Nick ([07:15:42](#)):

It's not filming anymore.

Speaker 3 ([07:15:42](#)):  
Oh, good. That's crazy.

Nick ([07:15:49](#)):  
I mean, this is still on.

Speaker 3 ([07:15:53](#)):  
Yeah, but you could be still filming.

Nick ([07:15:54](#)):  
Yeah, but he's [inaudible 07:15:57].

Speaker 3 ([07:15:54](#)):  
Yeah, that's insanity.

Speaker 4 ([07:15:54](#)):  
Well that went well.

Nick ([07:15:54](#)):  
Cutting.

Speaker 5 ([07:15:54](#)):  
Are we done?

Nick ([07:15:54](#)):  
Cutting.