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Social responsibility groups ask ABC, NBC to report global banking manipulation

by Jerry Filteau

WASHINGTON -- It's not exactly sexy or easy to report, but why did ABC World News and NBC Nightly News totally ignore recent revelations of one of the biggest global banking scandals ever?

That's the question three U.S. religious organizations devoted to social responsibility in financial affairs raised in early August.

Americans who relied mainly on ABC or NBC for their daily news are probably not even aware of LIBOR or its impact on world economic systems.

But in late June, Barclays of London agreed to pay almost half a billion dollars in fines in a settlement with the U.S. and British governments for its role in manipulating interest rates in LIBOR -- the London Interbank Offered Rate, which plays a key role in setting bank interest rates around the world and, more indirectly, affecting global bond rates and stock market activity.

Media Matters, an independent watchdog of U.S. media coverage on a wide range of issues, reported in early July that in the two weeks following the Barclay settlement and the resignation of its CEO, ABC and NBC news operations devoted absolutely no airtime to "one of the largest banking scandals in history."

It also noted that those organizations gave considerable news coverage in that time to the divorce of Katie Holmes and Tom Cruise, a series of shark sightings and a chimpanzee attack on a U.S. college student doing an internship at an animal reserve in South Africa.

The LIBOR rate "affects over \$800 trillion" in financial transactions around the world "and affects

everyday lending from credit cards to mortgage rates," said Eric LeCompte, executive director of Jubilee USA Network.

He and Mercy Sr. Susan Vickers, chairwoman of the Interfaith Center on Corporate Responsibility, and Oblate Fr. Seamus Finn, head of the Justice, Peace and Integrity of Creation Ministry of the Oblates of Mary Immaculate, sent protest letters to ABC and NBC Aug. 6 over their lack of news coverage on a major financial issue that has a global impact, especially on the poor.

LeCompte told *NCR* on Thursday that the organizations had not received a reply from the ABC or NBC news operations.

The letter asked ABC and NBC to "immediately start to cover these banking scandals and their impact on average Americans and poor people around the world."

"The manipulation of these [interest rates] affects people across the income spectrum," the letter states. "As faith-based organizations we must stress that this corruption has severe repercussions for the poor and most vulnerable."

The Jubilee USA Network, the Interfaith Center on Corporate Responsibility and the Oblate justice and peace organization together represent more than 100 national organizations and 200 religious congregations concerned about social responsibility in the financial and corporate world.

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The London Interbank Offered Rate and its companion, the Euro Interbank Offered Rate -- LIBOR and EURIBOR in the argot of the financial world -- are established by asking key banks what interest rates they expect to pay to borrow from each other.

Their responses serve as benchmarks for interest rates on borrowing and lending around the world, from individual borrowing to the costs of corporate loans and government bonds.

Barclay reached a \$450 million settlement with the United States and Great Britain after investigators found that for at least the past seven years, the London-based international banking firm and other major banks intentionally low-balled their estimates of interbank borrowing rates to manipulate the market for their own profit.

[Jerry Filteau is *NCR* Washington correspondent. His email address is jfilteau@ncronline.org.]

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