



McClatchy investigation has found that Goldman's failure to disclose that it made secret, exotic bets on an imminent housing crash may have violated securities laws.

"The Securities and Exchange Commission should be very interested in any financial company that secretly decides a financial product is a loser and then goes out and actively markets that product or very similar products to unsuspecting customers without disclosing its true opinion," said Laurence Kotlikoff, a Boston University economics professor who's proposed a massive overhaul of the nation's banks. "This is fraud and should be prosecuted."

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