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# Are Social Credit Scores Coming to America?

*Kevin Stocklin*

14-18 minutes

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States fight back with laws banning political discrimination by banks, insurance companies

*News Analysis*

As new technology is developed to track peoples' behavior and generate environmental and social credit scores,

some state lawmakers are sounding the alarm that the United States may be following China in imposing behavioral ratings on its citizens.

China has been [working since 2014](#) to impose a social credit system on its population that monitors, rewards, and punishes people according to how much their behavior conforms to government mandates. In contrast to China, the U.S. government is restrained from imposing social credit criteria on Americans due to its tradition of constitutional liberties and representative lawmaking.

But some analysts warn that social credit scoring could come to America,

not through government mandates, but through the private sector—primarily banks, insurance companies, and tech companies—and they point to ominous signs that it is already starting to happen.

On May 24, at the World Economic Forum (WEF), J. Michael Evans, president of Chinese tech firm Alibaba, announced that the company is developing an [“individual carbon footprint tracker.”](#)

“We are developing, through technology, an ability for consumers to measure their own carbon footprint,” Evans said. This program would collect data on individuals about “where are

they traveling, how are they traveling, what are they eating, what are they consuming.” The WEF features an annual gathering of the world’s most powerful corporate and government leaders in Switzerland, where attendees often arrive by private jet. The WEF has also touted companies like tech firm [Doconomy](#), which in partnership with MasterCard developed [a credit card](#) that can track the carbon footprint of all your purchases, including food and travel, and cuts off your spending when you hit a certain personal emissions limit. For those who don’t want to carry a mobile phone or wallet everywhere they go, a

company named Walletmor has [developed a chip](#), implanted in your hand, that carries your personal information and can simply be waved over a sensor to make payments.

## [ESG](#) Ratings For Individuals?

The progressive ideology called “environmental, social, and governance” (ESG) includes various things from climate change to social justice. ESG criteria have been imposed on corporations for years by the finance industry, including activist asset managers, banks, rating agencies, proxy agents, and elite global clubs such as Climate Action

100+, the Global Investors Statement to Governments on Climate Change, the Net Zero Asset Managers Initiative, and the Glasgow Financial Alliance for Net Zero. Collectively, these organizations have succeeded in compelling corporate executives to fall in line behind a left-wing agenda.

In March, Standard & Poors, one of the world's top credit rating agencies, [announced](#) that ESG scoring would be expanded beyond company ratings to now include U.S. states as well. And in December, FICO, the consumer credit rating agency, [predicted](#) that personal ESG scores would soon follow, stating that “one example would be the

inclusion of property energy ratings data in mortgage valuation and decisioning.” FICO scores determine a person’s ability to get a mortgage, car loan, bank loan, or credit card.

“I think it is highly likely that within the next two years, you’re going to see financial institutions start to use a personalized social credit score of some kind to make decisions about things like your access to loans, your interest rate, or whether you’re eligible for insurance coverage,” said Justin Haskins, director at the Heartland Institute, a free-market think-tank. “All the signs are pointing to that happening very soon.”

“We should be very thankful that our government doesn’t have the power to mandate that,” said Jonathan Williams, chief economist at the American Legislative Exchange Council, a membership organization for state legislators. But progressive control over the financial system could mean “having people’s freedoms eroded without any legislation ever having to be passed, whether it’s companies with a radical take on ESG or FICO personal credit scores.”

“They can’t pass the Green New Deal in the United States Congress,” said New Hampshire State Rep. J.D. Bernardy, “but the banks can certainly



implement it. The major banks and financial management firms and insurance companies are de facto deciding how we will be able to live. They are becoming our new legislatures.” Bernardy has introduced a bill in New Hampshire to bar financial institutions from using personal social credit scores.

## **The Controlling Power of Banks**

The power that banks have over people was demonstrated in February when Canadian banks froze the personal accounts of protestors and their crowdfunding donors, instantly

cutting them off from their own money, savings, and income. While U.S. financial companies have not come close to doing anything so brazen, they have started to selectively deny banking and payment services to groups and individuals they consider politically undesirable.

The Heritage Foundation reported that Chase Bank [closed the accounts](#) of former Trump national security adviser Lt. Gen. Michael Flynn in 2021 for “reputational reasons,” and Wells Fargo made a “business decision” to eject Republican Senate candidate Lauren Witzke. In 2019, PayPal revealed it [was working with](#) the

Southern Policy Law Center (SPLC), a left-wing group, to determine who should be blocked from using its payment services.

In November, JPMorgan subsidiary WePay [canceled payment services](#) to a conservative fundraising event. In response, Missouri State Treasurer Scott Fitzpatrick informed the bank that his state “would not do business with them so long as they continued to discriminate against customers based on their mainstream political positions.”

In January, Bank of America, without due process or a warrant, [mined the data](#) of hundreds of personal accounts to see who had traveled to Washington

D.C. or purchased firearms around the time of the Jan. 6, 2021, Capitol breach. Soon afterward, the Biden administration [attempted unsuccessfully](#) to compel all banks to report to the IRS any transactions greater than \$600. Under the Obama administration, the Federal Deposit Insurance Corporation (FDIC) carried out an illicit program called “[Operation Chokepoint](#),” which arm-twisted banks to cut off lending to firearms retailers, telling banks that such loans would be considered “high risk” by regulators.





U.S. President Joe Biden (L), flanked by U.S. Climate Adviser John Kerry, arrives to attend a meeting focused on action and solidarity at the UN Climate Change Conference (COP26) in Glasgow on Nov. 1, 2021. (Kevin Lamarque/POOL/AFP via Getty Images)

## **Biden Administration Working to Advance ESG Agenda**

During its first week in power, the Biden administration [canceled a rule](#) enacted by the Trump administration

that prohibited banks from conducting Chokepoint-style discrimination against customers on ideological grounds. This reversal now provides legal cover for ideological lending, such as [banks reducing credit](#) to fossil fuel companies and [Citibank's policy](#) that it will not do business with gun makers or small-business retailers who sell to people under the age of 21 or who sell “high capacity magazines,” which are considered magazines of more than 10 rounds. While Citibank states that it is not on “an ideological mission to rid the world of firearms,” the federal [legal age](#) for rifles and shotguns is currently 18 and most semi-automatic handguns and rifles come with standard-issue

magazines with more than 10 rounds, which effectively bars most of the gun industry from Citibank's services, regardless of their creditworthiness.

The Biden administration took similar action with credit unions. In March of 2021, Todd Harper the chairman of the National Credit Union Association (NCUA), a regulatory agency, [stated](#) that “a credit union’s field of membership is often tied to a business like an oil refinery or a community linked closely to farming ... such credit unions will need to consider adjusting their fields of membership or altering lending portfolios” to reduce “the impact of climate change.” This caused

North Dakota Gov. Doug Burgum to [protest](#) that while “we appreciate NCUA’s concern about climate change,” its agenda could hurt family farmers and ranchers, which are often criticized as carbon emitters and could be put out of business if they can’t get access to credit.

The administration’s support for ESG was further demonstrated by the Securities and Exchange Commission’s [announcement](#) in March that all listed companies must soon deliver audited reports on their greenhouse gas emissions and climate risks. The Federal Reserve recently [joined](#) the global Network of Central



Banks and Supervisors for the Greening of the Financial System. The Department of Labor [reversed a Trump administration regulation](#) that prohibited private pension managers from investing pensioners' money according to non-financial criteria, including ESG. And the Department of Justice [announced](#) in May that it was establishing an Office of Environmental Justice that “will engage all Justice Department bureaus, components and offices in the collective pursuit of environmental justice.”

Many argue that, as private companies, banks and insurers are free to pursue ESG policies and do

business with whomever they choose. However, [U.S. anti-trust law](#) prohibits companies from colluding to harm other companies or industries, which likely includes the various global finance clubs whose members signed pledges to jointly curtail the use of fossil fuels.

All the major banks and insurance companies have pledged to use their power to cut carbon emissions “not just within their businesses but across their entire portfolios, including all lending decisions,” Haskins said. “How can you reduce CO2 emissions across your entire portfolio if you don’t know that the person coming to your bank to get

a mortgage has a house that's running on natural gas? The same thing would be true of car insurance because insurance companies have made the same pledge.”

## **States Fight Back Against Personal Social Credit Scores**

Given the support for ESG at the federal level, it has fallen to states to defend Americans' civil liberties. A number of states are now working on legislation to ban personal social credit scores, including Arizona, Wyoming, New Hampshire, Minnesota, Kansas, and Louisiana. And although private companies are prohibited by the [Civil](#)

[Rights Act of 1964](#) from discriminating on the basis of “race, color, religion, sex or national origin,” the banking industry has been fighting in state legislatures to defend its ability to discriminate on the basis of ESG criteria.

“The pushback I had was from lobbyists, specifically the Bankers Association,” Kansas State Rep. Michael Murphy told The Epoch Times. “Their idea was ‘you don’t need to do this; this isn’t a problem.’ I said, ‘If it’s not a problem then it’s not going to hurt you.’” Murphy introduced Kansas House Bill 2664, which “prohibits banks, trust companies, credit unions

and other business entities from discriminating based on certain subjective or arbitrary standards,” including social credit score, political affiliation, ESG criteria, or social media posts. First-time violators would be fined \$50,000; second-time violators, \$250,000.

Minnesota State Rep. Eric Lucero said that “banks and financial institutions are pushing back against our attempts to stop this ESG scoring under the auspices that they don’t want to be limited in whatever algorithms they use to approve or deny somebody’s ability to have credit.” Lucero introduced a bill in March with similar provisions to the

Kansas bill.

Bette Grande, a former North Dakota state representative, has been testifying in state legislatures regarding anti-discrimination legislation. “We showed up for a hearing in Wyoming, and there were four banking lobbyists coming totally unglued just by having the proposal made,” she told The Epoch Times, adding that when she asked the bank lobbyists, “‘Why be opposed to something that’s not happening?’ There was no answer. It was dead silent.”

While 13 states have so far [introduced or passed laws](#) against state pension money being used to support

ideological causes like ESG, no state bills protecting individuals against personal social credit scores have passed yet. But lawmakers are hopeful for the coming year.

“It’s all new,” Murphy said. “We are working hard to try to get people on board so that when session starts in January, we will be able to move forward.”

“The first hurdle is that this sounds like a crazy conspiracy theory,” Bernardy said. But the recent hikes in fuel prices and their ripple effect on other sectors including farming have brought home to many people the effects of ESG ideology. Added to this are

[pronouncements](#) from billionaire financiers like Larry Fink, CEO of BlackRock, the world's largest asset manager, that "behaviors are going to have to change. You have to force behaviors and at BlackRock, we are forcing behaviors."

The push by financiers to "force behaviors" comes on the heels of a series of pandemic-related lockdowns and other intrusions on individual liberty. Based on [documents obtained through the Freedom of Information Act](#), it was reported that the U.S. Centers for Disease Control and Prevention [tracked Americans' cell phones](#) to monitor movement and



compliance with COVID-19 lockdowns. Municipalities like New York City mandated that people present “[vaccine passports](#)” in order to enter a restaurant or other indoor spaces. Similarly, countries in the European Union issued “[Digital Covid Certificates](#)” that gave vaccinated citizens travel, dining, and entertainment privileges.

“The progressive left, which seeks to control individuals, are in this for the long game,” Lucero said. “This is not something that we can have an election and think it’s solved. The fight is continuing and it’s continuing to escalate.”

Whether it's climate change, an epidemic, or social justice, the surrender of personal liberties usually follows a crisis and is presented as something people must accept for the benefit of society, Grande said. "We're all supposed to go along for the common good, so it's going to be for the common good that we should do what they're doing in China."

"World history demonstrates that liberty requires a continual effort to fight for it," Lucero said. "If people are distracted or they are not willing to preserve the liberties that have been fought for and given to them by prior generations, then those liberties will continue to

erode.”



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Kevin Stocklin is a writer, film producer, and former investment banker. He wrote and produced "We All Fall Down: The American Mortgage Crisis," a 2008

documentary on the collapse of the  
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