

# Holder Blocked HSBC Trial On Drug Cartel Money Laundering Scandal To Protect His Silicon Valley Backers

Mon, 11 Jul 2016 17:00:00, newstips66, [post\_tag: holder-blocked-hsbc-trial-on-drug-cartel-money-laundering-scandal-to-protect-his-silicon-valley-backers, category: silicon\_valley\_death, category: worldnews]

## Report: Holder Blocked HSBC Trial On Drug Cartel Money Laundering Scandal



Kathryn Watson  
Reporter

Attorney General Eric Holder makes a statement about the grand jury decision not to seek an indictment in the Staten Island death of Eric Garner during an arrest in July, in Washington Dec. 3, 2014. (REUTERS/Yuri Gripas)

Former Attorney General Eric Holder overruled Department of Justice (DOJ) lawyers who said British banking giant HSBC should be prosecuted for missing hundreds of millions of dollars in money laundering by drug cartels, a [congressional committee report](#) said Monday.

The report also stated the overruled DOJ lawyers recommended that charges be filed against HSBC Bank for allowing financial transactions with Cuba, Iran, Libya, Sudan and Burma, countries then-under U.S. sanctions

Then-Attorney General Eric Holder and his senior staff allowed HSBC to settle over the bank's money laundering oversight failures rather than face criminal charges. They then "misled" Congress as to why the DOJ failed to prosecute HSBC, according to the majority staff of the House Committee on Financial Services.

The report was titled "Too Big To Jail: Inside the Obama Justice Department's Decision Not to Hold Wall Street Accountable."

### FROM AROUND THE WEB

- [33 Childhood Crushes Then and Now XOXYL](#)
- [Why Everyone's Talking about Kate Hudson's Activewear Line Fabletics by Kate Hudson](#)
- [Shocking Secrets About Barney Fife Trend Chaser](#)

### Sponsored Links by

"Senior DOJ leadership, including Attorney General Holder, overruled an internal recommendation by DOJ's Asset Forfeiture and Money Laundering Section to prosecute HSBC because of DOJ leadership's concern that prosecuting the bank would have serious adverse consequences on the financial system," the report said.

The report also found:

- "Notwithstanding Attorney General Holder's personal demand that HSBC agree to DOJ's 'take-it-or-leave-it' deferred prosecution agreement deal by November 14, 2012, HSBC appears to have successfully negotiated with DOJ for significant alterations to the [terms] in the weeks following the Attorney General's deadline."
- "DOJ and federal financial regulators were rushing at what one Treasury official described as 'alarming speed' to complete their investigations and enforcement actions involving HSBC in order to beat the New York Department of Financial Services."
- "Attorney General Holder misled Congress concerning DOJ's reasons for not bringing a criminal prosecution against HSBC."
- "DOJ to date has failed to produce any records pertaining to its prosecutorial decision-making with respect to HSBC or any large financial institution, notwithstanding the committee's multiple requests for this information and a congressional subpoena requiring Attorney General Lynch to timely produce these records to the committee."

Rep. Jeb Hensarling, a Texas Republican, is chairman of the committee. Rep. Maxine Waters, a California Democrat, is the ranking Democrat.

Holder told Congress during a 2013 House hearing that "if we find a bank or a financial institution that has done something wrong, if we can prove it beyond a reasonable doubt, those cases will be brought," according to the Wall Street Journal. ([RELATED: Comey: No Charges Are Appropriate' For Hillary Clinton](#))

But the committee subpoenaed Department of Treasury emails showing lower-level prosecutors recommended filing criminal charges against the bank for failing to catch hundreds of millions of dollars laundered by drug cartels, and for facilitating transactions with sanctioned countries.

"Attorney General Holder misled Congress concerning DOJ's reasons for not bringing a criminal prosecution against HSBC," the committee report said.

HSBC settled with the U.S. government in December 2012 for \$1.9 billion, and the Justice Department reserved the right to pursue criminal prosecution in the future. Justice Department officials, however, failed to consult with the Treasury Department's Office of Foreign Assets Control before reaching the settlement agreement figure to make sure it reflected the severity of the bank's sanctions violations, according to the report.

[Follow Kathryn on Twitter](#)

Send tips to [katie@dailycallernewsfoundation.org](mailto:katie@dailycallernewsfoundation.org).

Content created by The Daily Caller News Foundation is available without charge to any eligible news publisher that can provide a large audience. For licensing opportunities of our original content, please contact [licensing@dailycallernewsfoundation.org](mailto:licensing@dailycallernewsfoundation.org).

Tags: [Department of Justice](#), [Eric Holder](#)