

LANNY BREUER NOW BLAMES 94 US ATTORNEYS FOR IMMUNIZING BANKSTERS

Remarkably, on the same day two Senators (one of them named in the article) reminded Eric Holder that Lanny Breuer said this,

I think I and prosecutors around the country, being responsible, should speak to regulators, should speak to experts, because if I bring a case against institution, and as a result of bringing that case, there's some huge economic effect – if it creates a ripple effect so that suddenly, counterparties and other financial institutions or other companies that had nothing to do with this are affected badly – it's a factor we need to know and understand.

The WaPo managed to ask no direct questions about this quote—or some of the obviously spiked cases against big banks—in this sloppy fellation of Lanny Breuer.

Granted it does ask about the Frontline show itself (though, refreshing as it was, Frontline focused on just one aspect of the mortgage fraud that Lanny's department ignored; it's pretty clear WaPo's Sari Horwitz doesn't even begin to understand that, though).

In a "Frontline" program on PBS last week, Breuer and the Justice Department were harshly criticized for not bringing criminal prosecutions against any Wall Street executives in connection with the 2008 financial collapse.

Curiously, rather than admit he consults with

regulators and experts before he charges banksters, rather than repeat his theory that all it takes to deter CEOs (as opposed to little people) is to chat them up,

Look, I want to be clear, I don't want to suggest for a moment that we don't—and we will—aggressively pursue cases criminally but, I guess both as a defense lawyer, which I was for many years, a white collar defense lawyer and now as AAG, I don't think we should completely discount the deterrent effect when we investigate cases even if we don't bring them.

If a CEO or CFO of a major institution feels that he or she is subject to criminal liability, when we interview them or put them in the grand jury, they have lawyers and this is hanging over their head for years and years. It may be at the end we decide not to prosecute the company or the individual but I think it's really inaccurate to suggest that that doesn't have a very strong effect. I'm not sure CEOs on Wall Street right now feel as if they can do what they want and there's no deterrence.

Lanny instead adopted a new excuse to deny responsibility for letting the most destructive criminals in the country walk free (note, Lanny appears to be ignorant of SarBox regulations that wouldn't even require this kind of intent):

"I understand why people are upset," Breuer said. "But we have 94 U.S. attorneys and they don't report to me. Not one of them determined that there was a criminal case to be had. These are very complicated cases and they were just simply, on the merits, not cases that could be brought criminally."

Breuer said Wall Street executives would have been prosecuted if the

investigators could have proved criminal intent. "I have the same DNA in all of these cases," Breuer said. "It's just not plausible that in one area we would be overly scared and in all the other areas we would be aggressive."

Well okay then. In this article, Lanny takes or is given credit for the BP pleas, two Medicare cases, 40 corporate cases (by Robert Khuzami, almost all of which resulted in settlements), the La Cosa Nostra take down, and LIBOR "prosecutions" (reportedly DOJ will charge UBS shortly). Of those, I'm only aware of the BP investigation being led by a task force rather than a traditional US Attorney structure. Yet Lanny wants to claim credit for all these prosecutions and settlements, but blame his US Attorneys—all 94 US Attorneys (!) when we're really talking maybe 4 or 5 who would face a complex bankster case, and really just New York's Preet Bharara, whom Lanny himself gave jurisdiction over some of the highest profile cases—for not prosecuting the banksters.

It's not Lanny's fault the banksters have gone free, you see, it's the fault of people like John Leonardo, Arizona's US Attorney, Alicia Limtiaco, Guam's US Attorney, or Felicia Adams, Northern Mississippi's US Attorney, all of whom had no hint of jurisdiction in these cases.

This, in spite of the fact that Lanny has repeatedly admitted being personally involved in the bankster cases.

This, in spite of the fact that Lanny **did** play a leadership role in one of the few cases that had a similar task force structure as BP—the mortgage fraud settlement. In that case, Lanny under-resourced the investigative team, ensuring it would be unable to do adequate investigation to reach adequate settlement. And he didn't even show up for the big announcement that—basically—the settlement was immunizing the banksters for stealing millions of people's homes. Somehow, now that it's time to claim

credit, Lanny has forgotten about that willful attempt to help banks bury their crimes.

Lanny has, in the past, clearly admitted to actions that led directly to amnesty for banksters. But in his effort to shore up his reputation as he heads out the door (though not until March 1, unfortunately), he's gonna blame everyone else for the fact that, on his watch, the most destructive criminals in the country got a pass.

Update: And he spewed the same line to NPR:

“This department has been incredibly aggressive in dealing with the issues of the financial crisis,” Breuer told NPR. “Aggressive U.S. attorneys have looked at this. But time and again the career prosecutors have come back on those cases, on those securitization cases, and said we don't have a criminal case to be brought....My message to the American people is that this Justice Department calls it the way it sees it.”