

LANNY BREUER'S THEORY OF CHATTING ACCOUNTABILITY FOR CEOS

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This whole video is worth watching. Eliot Spitzer, former US Attorney Mary Jo White, and Assistant Attorney General Lanny Breuer discuss financial crimes, with SIGTARP head Neil Barofsky moderating. I was fairly troubled, in general, of the hesitations White and Breuer expressed over actually prosecuting financial crime.

But I found the passage just after 46:00, where Lanny Breuer argues you don't need prosecutions for deterrence among CEOs, to be stunning.

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.

He returns to a discussion of “going in and out” between corporate representation and DOJ after 52:00 and he avoids talking about robo-signing at 1:00.

As you read that, think about what has happened with Lloyd Blankfein. He bullshitted Carl Levin’s investigatory committee back in April 2010. Levin released a report last year stating he had lied, and referred his investigation to DOJ.

And Lloyd Blankfein, who almost two years ago didn’t take Congress sufficiently seriously to tell the truth, is still running around free profiting off of European countries’ debts.

Does Breuer really think seeing Blankfein treat Congress and regulators with utter disdain served as a deterrent to anyone? On the contrary, what appears to have been Lanny’s Chatting Accountability for CEOs only serves to show that these MOTUs are above the law.