

DOJ CORPORATE SETTLEMENT DEALER TAKES OVER AT FINCEN

In February, here's what Jennifer Shasky Calvery said in testimony before a House Subcommittee.

These staggering amounts of money in the hands of some of the worst criminal elements create a terrifyingly vicious cycle – money enables [the crooks] to corrupt the economic and political systems in which they operate, thereby allowing them to consolidate and expand their power and influence, which gives rise to more opportunity to commit crime and generate revenue.

Mind you, I'm cherry picking a quote from testimony about Transnational Crime Organizations. But it shows the blindness DOJ (and the Administration generally) have had as they try to repurpose their counter-terrorism tools to combat transnational crime: to some extent, what's true of drug cartels is also true of the banks that have escaped prosecution even while doing as much damage as the drug cartels.

And yet we never get around to prosecuting our own transnational criminal organizations, the banks.

It's worth keeping in mind, now that Shasky Calvery takes over at Treasury's FinCEN, the part of the Agency that makes sure corporations are complying with reporting requirements of suspected financial crimes.

Shasky Calvery will take over from Jim Freis, who was fired back in May, reportedly for focusing too much on the fraud banks were committing and not enough on Iran. There had been rumors Treasury would hire a guy who had overseen JPMorgan's money laundering when it was laundering money for Iran. I'm sure Shasky

Calvery, who has been at DOJ for 15 years, is a better choice than someone revolving through the doorway from JPMC, a serial corporate crook.

Still, I'm rather amused by what the business press boasts about under headlines describing her as an "enforcer."

Under Shasky Calvery's helm, the justice's money laundering section secured the forfeiture of nearly \$1 billion from Barclays Bank, ING Bank and other financial institutions.

Her unit also was responsible for the forfeiture of more than \$3 million in assets from two former leaders of different oil-producing states in Nigeria, the Justice Department said in a statement.

[snip]

Her unit is currently leading the Standard Chartered probe at the Justice Department. The bank has already agreed to pay \$340 million to New York's bank regulator over its Iran transactions.

Since she's the DOJ side of the pending SCB deal, Shasky Calvery is presumably among the crowd complaining that Benjamin Lawsky exposed the full scope of what Standard Chartered Bank had been doing, rather than cooperating in a settlement on just a fraction of their fraud. And the boast that her department made a lot of settlements but never actually prosecuted suggests she may well be part of the DOJ culture of coddling our own corporations.

If the reports about Freis being fired for emphasizing to reveal that mortgage fraud is a growing crime while terrorism is declining, then it another DOJ settlement dealer may be perfect for Treasury's goals.