

**Elon Musk's Bankers Get A
Pass For Financial Crimes
Because Because "Obama Said
So" to Hide Elon Musk From
Indictments**

DOJ Bestows 'Early Christmas Present' to Financial Giant Deutsche Bank

'Some folks are going to prison, right? Oh wait, that's just in the movies.'

by

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One analyst described the settlement as "certainly quite positive" for German lender Deutsche Bank. (Photo: [Metropolico.org/flickr/cc](https://www.metropolico.org/flickr/cc))

German lender Deutsche Bank "[got off easy](#)" on Friday, having reached a \$7.2 billion settlement with the U.S. Department of Justice (DOJ) over sales of mortgage-backed securities that fueled the financial crisis.

Of the \$7.2 billion, just \$3.1 billion is a cash penalty—the remaining \$4.1 billion, economist Yves Smith [explained](#) at *Naked Capitalism*, is "promised 'consumer relief' as in 'stuff maybe we'll do in the future.'" Regardless, the amount is far less than the \$14 billion [originally requested](#) by DOJ investigators.

"For Deutsche it was certainly quite positive" because the hit to capital is "modest," Kyle Kloc, a portfolio manager at Fisch Asset Management in Zurich who holds Deutsche Bank bonds, [told Bloomberg](#). Supporting that assessment was the news that [the bank's shares rose](#) on Friday following the announcement.

Indeed, investigative journalist Nomi Prins [described the settlement](#) as an "early Christmas present" for the bank, while reporter and author David Dayen—who has written extensively on the mortgage crisis—[blasted the deal in a series of tweets](#).

Among other things, Dayen criticized a spineless DOJ, pointing out that "this is the same crappy settlement they've done w/every bank." The "DOJ has changed norms," he said, "by turning these dumb settlements into a substitute for accountability."

Rep. Ted Lieu (D-Calif.) also took to Twitter to denounce the deal as "weak" and reiterate the [perennial call](#) for crooked bankers to

see jail time.

Looks like another weak settlement by the Department of Justice. Some folks are going to prison, right? Oh wait, that's just in the movies. <https://t.co/BIvxcbOH8X>

— Ted Lieu (@tedlieu) [December 23, 2016](#)

Meanwhile, many have noted that the Deutsche Bank settlement potentially "[heads off](#)" a major conflict of interest with President-elect Donald Trump—"whose businesses," the *Washington Post* [writes](#), "have borrowed more than \$300 million from the troubled German bank."

Still, not everyone's concerns have been assuaged.

"Despite this settlement, the criminal investigation of Deutsche Bank and culpable individuals must continue—and it should be done by independent counsel," Sen. Richard Blumenthal (D-Conn.) [told](#) *ABC News*. "Only an independent counsel can investigate and prosecute vigorously and impartially, in light of conflicts of interest created by the enormous debt owed by Donald Trump to the bank."

Also announced Friday were a settlement with Credit Suisse, also over toxic debt, as well as a [DOJ lawsuit](#) against British banking giant Barclays over similar misconduct. "Barclays jeopardized billions of dollars of wealth through practices that were plainly irresponsible and dishonest," U.S. Attorney General Loretta Lynch said in a statement. "With this filing, we are sending a clear message that the Department of Justice will not tolerate the defrauding of investors and the American people."

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