

# HSBC Bank of Criminals Got No Charges by U.S. DOJ on Orders Of White House

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## HSBC avoided US money laundering charges because of 'market risk' fears

US officials refused to prosecute HSBC for money laundering in 2012 because of concerns within the Department of Justice that it would cause a "global financial disaster", a report says.

A US Congressional report revealed UK officials, including Chancellor George Osborne, added to pressure by warning the US it could lead to market turmoil.

The report alleges the UK "hampered" the probe and "influenced" the outcome.

HSBC was accused of letting drug cartels use US banks to launder funds.

The bank, which has its headquarters in London, paid a \$1.92bn (£1.48bn) settlement but did not face criminal charges. No top officials at HSBC faced any charges.

### 'Serious implications'

The report says: "George Osborne, Chancellor of the Exchequer, the UK's chief financial minister, intervened in the HSBC matter by sending a letter to Federal Reserve Chairman Ben Bernanke... to express the UK's concerns regarding US enforcement actions against British banks."

The letter said that prosecuting HSBC could have "very serious implications for financial and economic stability, particularly in Europe and Asia".

Justice Department spokesman Peter Carr said a series of factors were considered when deciding how to resolve a case, including whether there may be "adverse consequences for innocent third parties, such as employees, customers, investors, pension holders and the public".

The report also accuses former US Attorney General Eric Holder of misleading Congress about the decision.

The report says Mr Holder ignored the recommendations of more junior staff to prosecute HSBC because of the bank's "systemic importance" to the financial markets.

### 'Misleading comments'

"Rather than lacking adequate evidence to prove HSBC's criminal conduct, internal Treasury documents show that DOJ [Department of Justice] leadership declined to pursue [the] recommendation to prosecute HSBC because senior DOJ leaders were concerned that prosecuting the bank 'could result in a global financial disaster'," [the report said](#).

Instead, the Department of Justice and HSBC reached the settlement, which some politicians criticised for being too lenient.

Testifying before Congress in 2013 Mr Holder said the size of some financial institutions can make it difficult to bring criminal charges.

He later tried to clarify those remarks telling Congress: "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."

Congress's report deemed these comments to be misleading in light of emails from Treasury Department staff that recommended criminal charges.

### Mexican cartel

The 2012 settlement with HSBC detailed how the bank violated US sanctions by conducting business for customers in Iran, Libya, Sudan, Burma and Cuba.

HSBC accounts were also used by the Sinaloa drug cartel in Mexico and Norte del Valle cartel in Colombia to launder \$881m.

The settlement allowed the bank to avoid pleading guilty to any wrongdoing.

If HSBC had been proven guilty of criminal action, it could have lost its banking charter in the US.

HSBC and US regulators declined to comment on the report.

The UK Treasury has not commented either.