

# HSBC Organized Crime Reports and Leaks Reveal Silicon Valley Bribes of U.S. Officials

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[Carey Wedler](#)

**(ANTIMEDIA)** A federal judge ruled last week that the Hong Kong and Shanghai Banking Corporation (HSBC) will be forced to share a report on its business practices with the public — a decision both the bank and the Department of Justice (DOJ) fought in court to prevent. The report is based on the findings of an ongoing government audit of the bank initiated amid revelations in 2012, that it laundered money for drug cartels and terrorist organizations. When HSBC's sordid dealings were discovered in 2012, the DOJ declined to press charges, arguing the bank was too important to prosecute. As the *Guardian* [reported](#) at the time, Assistant Attorney General Larry Breuer argued "the Justice Department had looked at the 'collateral consequences' to prosecuting the HSBC or taking away its US banking license. Such a move could have cost thousands of jobs, he said."

Further, "Had the US authorities decided to press criminal charges," the *Guardian* summarized, "HSBC would almost certainly have lost its banking license in the US, the future of the institution would have been under threat and the entire banking system would have been destabilized."

The DOJ's refusal to prosecute those responsible was widely criticized, as HSBC was found to have laundered over [\\$850 million for cartels](#), while [also laundering money](#) for Saudi banks with ties to terrorist groups. The bank [also helped nations](#) like Libya and Iran bypass American financial laws. The lack of punishment for these transgressions appeared to reveal a double standard.

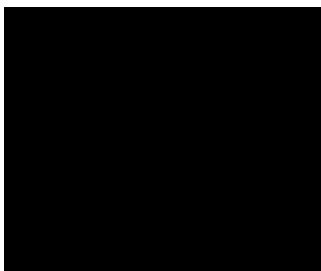
As Glenn Greenwald [observed](#) at the time:

"The US government is expressly saying that banking giants reside outside of — above — the rule of law, that they will not be punished when they get caught red-handed committing criminal offenses for which ordinary people are imprisoned for decades. Aside from the grotesque injustice, the signal it sends is as clear as it is destructive: you are free to commit whatever crimes you want without fear of prosecution. And obviously, if the US government would not prosecute these banks on the ground that they're too big and important, it would — yet again, or rather still — never let them fail."

Rather than directly prosecute HSBC, the DOJ [opted](#) for a "deferred prosecution" and imposed a five-year monitoring program wherein government authorities would regularly audit the bank's internal reforms to ostensibly prevent similar criminal behavior in the future. The bank was also ordered to pay a \$1.9 million fine, which DOJ officials [bragged](#) was the largest ever for such a case.

A private individual, Hubert Dean Moore, recently sued in an eastern New York district court to publish the findings of the first annual audit, but both HSBC and the DOJ resisted. HSBC reportedly [argued](#) in a letter to U.S. District Judge John Gleeson that Moore "had not identified a public interest case for publishing the report that would outweigh the negative consequences."

Further, according to the *Guardian*, HSBC [contended](#) that "publishing the monitor's report would 'undermine the very purpose of the monitoring by compromising the ability of the monitor and the government to assess HSBC's progress in improving its anti-money laundering and sanctions compliance program.'" This argument was based on the DOJ's own June 2015 argument against publishing the 1,000-page report. That report warned that monitors [found](#) "certain areas within HSBC Group where the understanding of money laundering and financial crime red flags continues to lag."



Though HSBC maintained that publishing the report about its alleged improvements would harm the public, others see the justification for secrecy as a continuing double standard in American rule of law. As Greenwald also [said](#) of the DOJ's refusal to prosecute HSBC in 2012:

"[W]e are constantly told that immunizing those with the greatest power is not for their good, but for our good, for our collective good: because it's better for all of us if society is free of the disruptions that come from trying to punish the most powerful, if we're free of the deprivations that we would collectively experience if we lose their extraordinary value and contributions by prosecuting them."

In a recent court filing issued to fight Moore's lawsuit, HSBC argued its original deferred prosecution agreement guaranteed the monitor's findings would remain private — but perhaps this highlights the crux of the problem. In addition to failing to prosecute clearly criminal behavior that any average American would be imprisoned for committing, from the outset, the DOJ assisted HSBC in keeping its dealings clandestine.

In spite of their efforts to keep the information suppressed, however, Judge Gleeson [ruled](#) Thursday that the public had a right to see the report. "I find that the Report is a judicial record, and that the public has a First Amendment right to see the Report," he wrote in his opinion.

Moore was pleased with the decision, and pointed out the bank's unabashed resistance in trying to keep the report private. "I'm director of business development," he said. "My job is to deal with people. If you make a mistake, you say sorry. They don't have that kind of humility at all."

Instead, the bank simply said, "We regret this decision and are considering our next steps."

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