

## Goldman Sachs Mega-Bank Gets Away with \$5 Billion 'Non-Punishment'

by Deirdre Fulton via gus - CommonDreams Tuesday, Apr 12 2016, 11:36pm

international / prose / post

*Banking crimes are not specific to one nation they are global and one of the main criminal players is Goldman Sachs. It has managed via its political puppets and mass media allies to reduce criminal charges to a slap on the financial wrist when this bank was at the heart of the 2008 global economic collapse. Today Goldman Sachs has managed not only to avoid punitive measures, as in jail sentences, but has managed to install its former employees as heads of state in many Western nations, including AUSTRALIA -- Malcolm Turnbull is a former employee of Goldman Sachs. So if anyone in Oz is wondering why the Turnbull puppet government is avoiding a Royal Commission into the criminal, parasitic big banks, then wonder no more!*



***Former G Sachs Banker, smug elitist Malcolm Turnbull, 'do your best peasants!'***

Goldman Sachs—once [described](#) as "great vampire squid wrapped around the face of humanity, relentlessly jamming its blood funnel into anything that smells like money"—has agreed to pay \$5.1 billion to settle a U.S. probe into allegations that it misled mortgage bond investors during the financial crisis, the U.S. Justice Department (DOJ) said Monday.

The penalty was swiftly denounced as a "non-punishment, non-accountability ritual that will do nothing to stop the Wall Street crime spree."

The settlement relates to the investment firm's "conduct in the packaging, securitization, marketing, sale and issuance of residential mortgage-backed securities (RMBS) between 2005 and 2007," according to a [DOJ statement](#). The proliferation of such sub-prime mortgages is widely credited with triggering the collapse of the housing market and sending the financial credit markets into a tailspin in the summer and fall of 2008.

"This resolution holds Goldman Sachs accountable for its serious misconduct in falsely assuring investors that securities it sold were backed by sound mortgages, when it knew that they were full of mortgages that were likely to fail," said Acting Associate Attorney General Stuart F. Delery.

The International Business Times [reports](#):

From 2005 to 2007, Goldman took part in the gold rush for mortgage products, packaging large pools of home loans into securities. Issuers like Countrywide provided thousands of mortgages for Goldman to review before selling to clients as safe investments.

But a [statement of facts](#) prepared by regulators and affirmed by Goldman shows that the bank did not always live up to its promises to investors — to carefully review loans and screen out mortgages deemed risky. As the government and Goldman have now agreed, “significant percentages of the loans reviewed did not conform to the representations made to investors.”

Reporter Matthew Zeitlin [writes](#) for BuzzFeed:

The deal fits the [template](#) used by the Justice Department for several massive settlements with big banks over their conduct related to the crisis: No criminal charges or penalties for the individuals involved, alongside a grab-bag of multi-billion dollar payments to regulators, states and consumers.

Other agreements that fit the template: the more than \$13 billion settlement the DOJ reached with [JPMorgan Chase](#) in November, 2013; [Citi's](#) \$7 billion settlement in July, 2014; the almost-\$17 billion settlement reached with Bank of America in August, 2014; and the \$3.2 billion settlement with Morgan Stanley earlier this year.

But Better Markets, a non-profit financial advocacy group, said "such settlements, many years after the crimes have been committed, are so weak that they will actually incentivize more law breaking on Wall Street."

Indeed, Better Markets president and CEO Dennis Kelleher declared in response to the news: "This settlement is a victory for Goldman."

He explained:

First, it got to keep all the ill-gotten gains for the last eight-plus years. Second, a \$5 billion settlement is meaningless unless it is publicly disclosed how much money was made from the illegal conduct and the total amount of investor losses. Third, DOJ helped it cover up its illegal actions by letting Goldman merely acknowledge a Swiss cheese 'statement of facts' carefully crafted more to conceal than reveal what Goldman really did here. Fourth, Goldman's net revenue was \$37.7 billion and its net earnings were \$9.5 billion in 2006 alone, just one year in the midst of this multi-year scheme. Fifth, every single individual at Goldman who received a bonus from this illegal conduct not only keeps the entire bonus, but suffers no penalty at all. Sixth, more than half of the \$5 billion appears likely to be tax deductible, meaning U.S. taxpayers will be required to subsidize this settlement.

"That is not justice," Kelleher concluded. "That is a fraud on the American people who deserve to know who did what when they were breaking the law and when they will actually be punished."

Added [Robert Weissman](#), president of Public Citizen: "The Department of Justice says this settlement will hold Goldman Sachs accountable. Unfortunately, that's not so."

"Without criminal prosecution," Weissman said, "there's not even the illusion of accountability. This settlement, like others involving Goldman Sachs and the rest of the Wall Street perpetrators of the

wrongdoing that led to the Great Recession, does virtually nothing to advance the objectives of deterrence, punishment or compensation for victims. The real message is, whether due to size, complexity or privileged access to politicians, Goldman Sachs and Wall Street remain above the law."

Creative Commons attribution applies



***G Sachs CEO, Lloyd 'shylock' Blankfein, 'you can't touch me, I own governments!'***

<http://commondreams.org/news/2016/04/11/vampire-squid-goldman-sachs-gets-away-5-billion-non-punishment>

---

Jungle Drum Prose/Poetry. <http://jungledrum.lingama.net/news/story-2198.html>