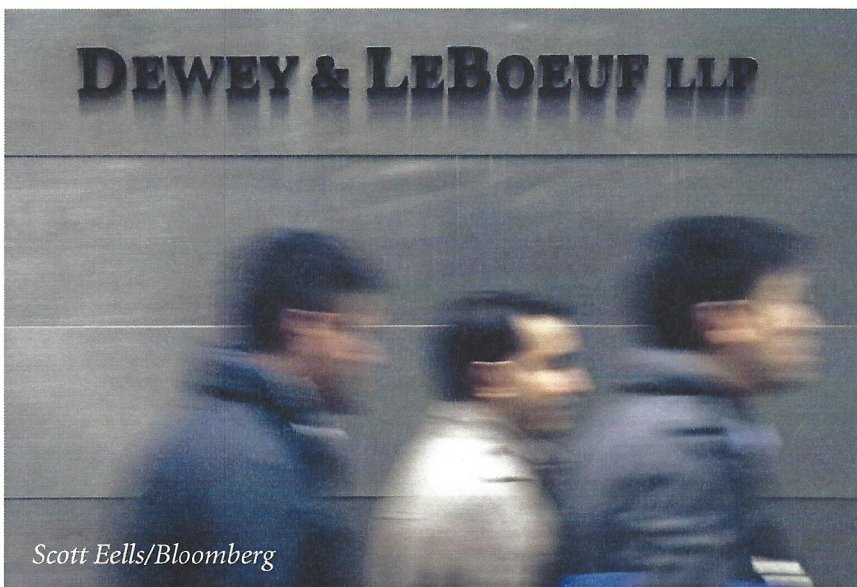


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Has It Become Impossible to Prosecute White-Collar Crime?

Financial crimes might be too complicated to take to trial.

by **Sheelah Kolhatkar** October 21, 2015, 2:04 PM EDT



For close watchers of the interactions between the Justice Department and the financial industry, the mistrial in the Dewey & LeBoeuf case was about more than just the fact that a handful of jurors were too overwhelmed by the evidence presented to reach a verdict. The mistrial, after a four months in court and 22 days of deliberations, hints at a much deeper problem: Perhaps most financial crime has reached a level of such complexity that it's beyond the reach of the law.

Since the financial crisis sent the economy into a spiral, leading to millions of lost jobs and foreclosed homes, there have been public cries to see bankers responsible for the frauds underpinning the crisis put in jail. This would have fit with the pattern of how things have gone since the beginning of time: Booms and bubbles led to market collapses and crises, followed by the tightening of regulations and criminal prosecutions. In the case of 2008, however, the crackdown never really came. Only one high-level banker went to prison, and the Justice Department pursued enormous multi-billion-dollar civil penalties against big banks, rather than charges against individuals.

The U.S. attorney general, the Security and Exchange Commission, Preet Bharara, U.S. Attorney for the Southern District of New York, and others have taken enormous amounts of criticism for this. Still, several years later, many high profile attempts to charge financial criminals have failed, raising the question of whether the crimes themselves have evolved to a point where the resources designed to combat them are hopelessly out of sync.

[https://www.bloomberg.com/news/articles/2015-10-21/has-it-become-impossible-to-prosecute-white-collar-crime-](https://www.bloomberg.com/news/articles/2015-10-21/has-it-become-impossible-to-prosecute-white-collar-crime)

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