

United States House of Representatives
Committee on Financial Services
Washington, DC 20515

December 18, 2012

Honorable Eric J. Holder, Jr.
Attorney General of the United States
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Mr. Attorney General:

I note several instances recently in which Administration officials have proceeded civilly against blatant violators of our important financial laws, in part because of the difficulty of proving cases beyond a reasonable doubt, especially where the law may have been somewhat uncertain, but also because of a concern that the criminal conviction – and even indictment – of a major financial institution could have a destabilizing effect. This latter consideration does not apply, similarly, to individuals. It is, of course, the case that no corporation can have engaged in wrongdoing without the active decision of individual officers of that entity. I believe it is also the case that prosecuting individuals has more of a deterrent effect than prosecuting corporations.

I am writing to you as well as to financial regulators, understanding that the decision to pursue criminal proceedings rests with the Justice Department, so I ask that there be a series of consultations involving law enforcement officials and regulators with the goal of increasing prosecution of culpable individuals as an important step in seeing that the laws that protect the stability and integrity of our financial system are better observed.


BARNEY FRANK