The government accused the bank and its subsidiary MortgageIT of lying about the quality of some mortgages that were to be insured by the government. With the government insurance, Deutsche Bank and MortgageIT were allegedly able to sell weak mortgages for more than they were worth. Because the mortgages were weak, the FHA has been forced to honor insurance policies on the loans.

"You can always get someone up on charges if you work hard enough given all the regulations we have," says Ed Novak, an attorney at Polsinelli Shughart. "I don't buy that the financial industry has so weakened the statutory framework of this country that we can't pursue something."

The details of the allegation may be special to Deutsche Bank, but the story has the same general characteristics of so many schemes unearthed in the aftermath of the financial meltdown. A bank takes weak mortgages and finds a way to sell them for more money to unsuspecting investors, passing the risk onto others while making a profit.

It is easy to forget that the system moves more slowly that we'd like. Even in the case of Enron, it took years for justice to be served. The indictments moved at a quick pace due to the company's high profile collapse (and having a whistleblower didn't hurt), but the process still took years.

Cracks were visible at Enron in 2001, the year it filed for bankruptcy. Congress held an inquiry in 2002, and smaller players were indicted. But it not until 2004 were former CEO Jeff Skilling and ex-chairman and CEO Ken Lay indicted. The trials dragged on through the spring of 2006.

More...