



U.S. SECURITIES AND EXCHANGE COMMISSION

"We are the investor's advocate."

William O. Douglas
SEC Chairman, 1937-1939

THREE THEMES

1. Mechanics of the Scheme

- Ponzi or Pyramid
- Different from Multi-Level Marketing

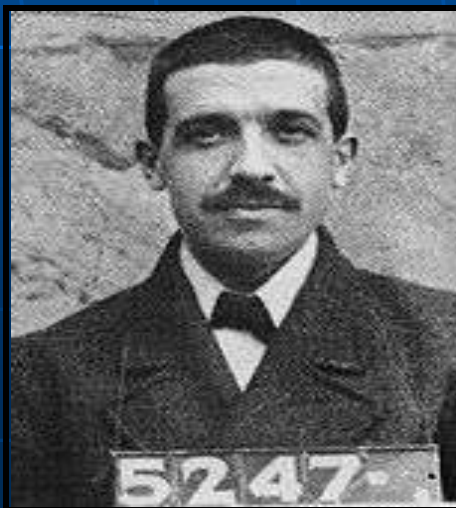
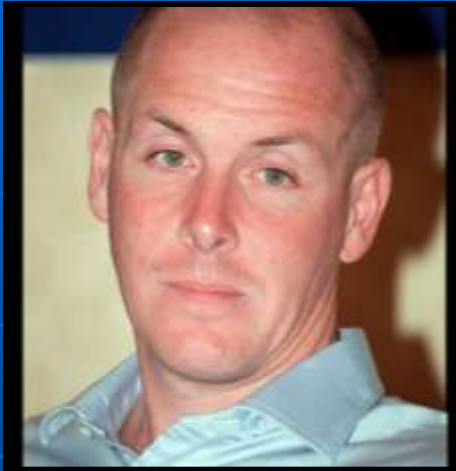
2. The Investments

- Securities – Almost Always “High Yield”
 - Common securities, e.g. stocks and bonds
 - Esoteric or fake securities, e.g. Prime Bank notes and “Forex”
 - Real Estate based securities

3. The Victims

- Affinity Frauds

Rogues Gallery



Who Am I?

- **Nick Leeson**
 - I caused the collapse of Barings Bank, the UK's oldest investment bank, in a \$1.4 billion fraud; I was sentenced to 6.5 years in a Singapore prison
- **Sir Allen Stanford**
 - I am sitting in a U.S. jail awaiting trial on criminal charges of orchestrating an \$8 billion ponzi scheme run out of the U.S. and Antigua.
- **Austin Powers**
 - I am international man of mystery.
- **Charles Ponzi**
 - I invented the Ponzi scheme; I was born in Italy, spent time in U.S. and Canadian jails, and died in Brazil.
- **Bernard Madoff**
 - I operated a \$50 billion international ponzi scheme and was sentenced to 150 years in a U.S. prison.
- **Jerome Kerviel**
 - I am awaiting trial on criminal fraud charges in France for allegedly causing \$7 billion in losses to French bank Societe Generale.

CHARLES PONZI (1882-1949)

- Born in Italy, immigrated to U.S. in 1903, with \$2.50 in his pocket.
- One of the greatest swindlers in American history
- Died in Rio de Janeiro, Brazil 1949.
- **"Parts of Ponzi's life are somewhat difficult to determine, due to his propensity to fabricate and embellish facts."**

THE PONZI SCHEME, BOSTON, 1920

1920 - Formed "Securities and Exchange Company"

- Promised 50% returns every 45 days
 - Claimed he could leverage the exchange rates of countries that issued overseas "reply postal coupons" to make huge profits
 - Buy "postal reply coupons" in Italy cheaply, which could then be redeemed for more valuable U.S. postage stamps
- July 24 – Boston Post runs positive story about the venture
- 17,000 investors invest millions, mortgaging homes and life savings
- Ponzi becomes a multi-millionaire, bought mansion with air conditioning and heated swimming pool
- July 26 – series of articles noting Ponzi not investing in own scheme, not enough postal coupons to cover investments
- August 10 – Ponzi's company raided and shut down
- August 13 – Ponzi arrested on 86 counts of fraud
- Ponzi sentenced to 5 years federal prison, 9 years state prison.

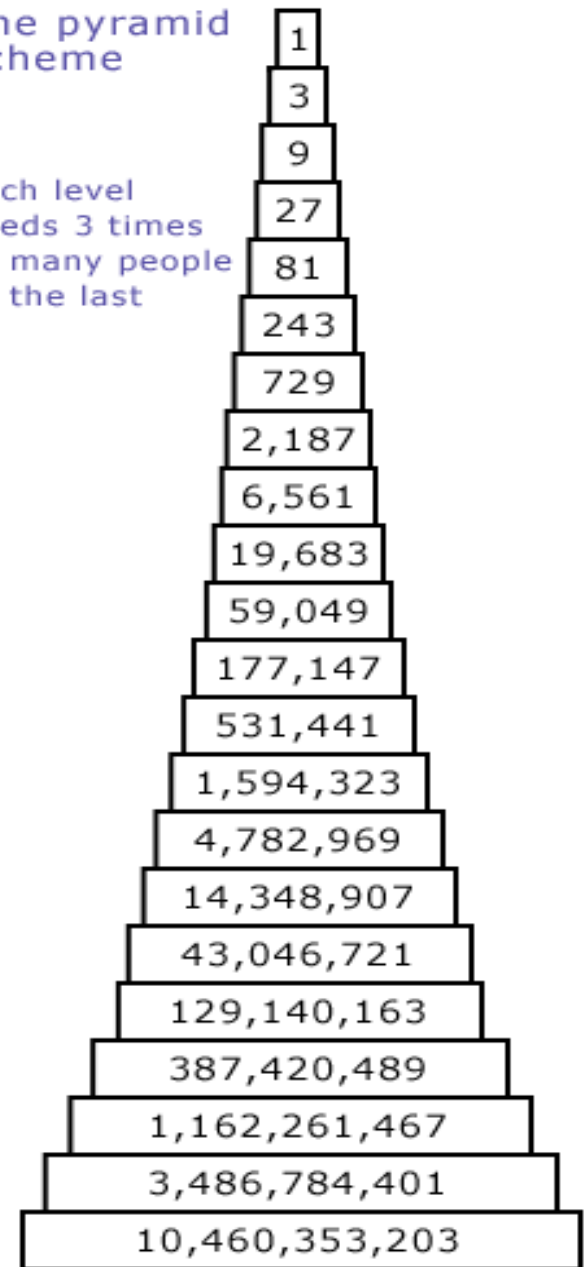
PONZI = PYRAMID

- Assume that fraudsters must recruit 3 new investors to for each existing investor for economics to work
- Economics are not sustainable
- “a non-sustainable business model that involves the exchange of money primarily for enrolling other people into the scheme, usually without any product or service being delivered”

Guatemala (8-09)

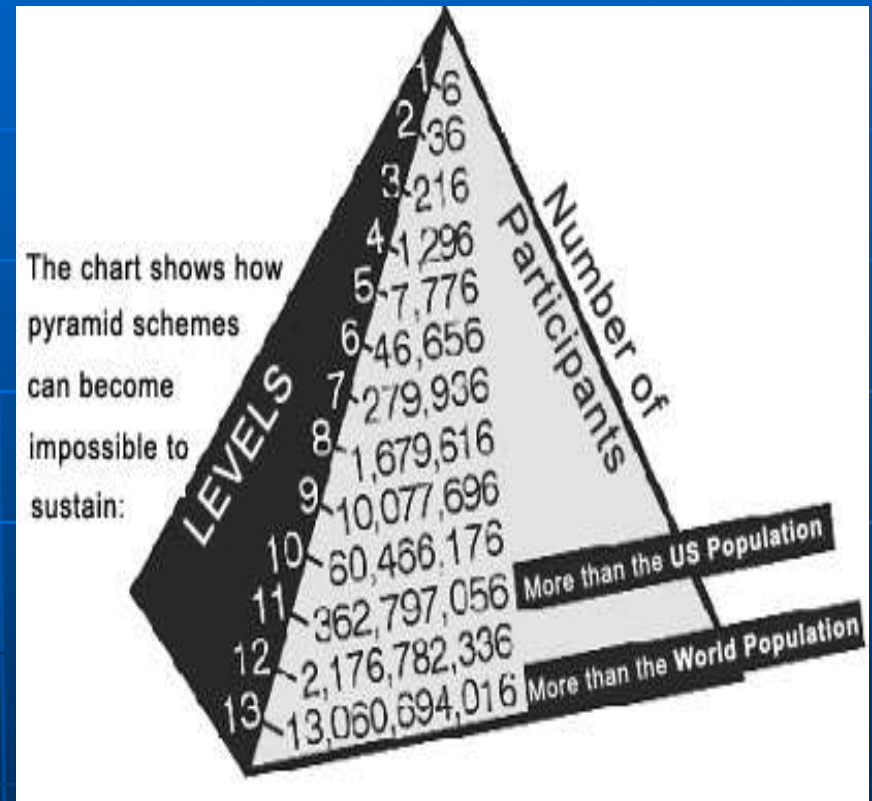
The pyramid scheme

Each level needs 3 times as many people as the last



PONZI = PYRAMID

- Any scheme that requires new investors to pay existing investors is a fraud.



MULTI-LEVEL MARKETING DEFINITION

(Wikipedia)

Multi-level marketing (MLM), also known as **Network Marketing**, is a business-distribution model that allows a parent company to market its products directly to consumers by means of relationship referrals and [direct selling](#).

Independent, unsalaried salespeople of multi-level marketing, referred to as distributors (or associates, independent business owners, dealers, franchise owners, sales consultants, consultants, independent agents, etc.), represent the parent company and are awarded a commission based upon the volume of product sold through each of their independent businesses (organizations).

Independent distributors develop their organizations by either building an active customer base, who buy direct from the parent company, or by recruiting a *downline* of independent distributors who also build a customer base, thereby expanding the overall organization. Additionally, distributors can also earn a profit by retailing products they purchased from the parent company at wholesale price.

Distributors earn a commission based on the sales efforts of their organization, which includes their independent sale efforts as well as the leveraged sales efforts of their downline. This arrangement is similar to [franchise](#) arrangements where royalties are paid from the sales of individual franchise operations to the franchisor as well as to an area or region manager. Commissions are paid to multi-level marketing distributors according to the company's compensation plan. There can be multiple levels of people receiving royalties from one person's sales.

SCHEME HAS THREE STAGES

STAGE 1

1. Early investors drawn to promise of low risk and high returns
 - Fraudsters and/or distributors marketing directly to victims
 - Fraudsters may engage in high profile activities
 - Publicized philanthropy
 - Olint / Caribbean: Purchase of a soccer team

STAGE 2

1. New investors join as scheme generates successful cycles
 - Can keep this aspect of the scheme alive for years through various stratagems
 - “Rolling over” investment principal and purported returns
 - Defined “investment” periods
 - Steady stream of new investors
 - Fraudsters may no longer need to market as investors seek out fraudsters

STAGE 3

1. Scheme collapses when interest and principal owed to old investors exceeds funds from new investors
 - Rush to withdraw, but too late
 - Sometimes dire consequences
2. External events may lead to exposure and collapse
 - Publicity from other schemes, or depressed markets generally, may cause investors to seek to withdraw funds
 - Depressed markets also limit fraudsters' ability to keep payments flowing
 - Hard to earn or attract sufficient funds

ALBANIA, 1994-1997

- Pyramid schemes swept the country
- Government inaction
- 2/3 population invested
- People were unfamiliar with financial markets
- Liability equaled 1/2 Albania's GDP
- Collapse caused civil unrest, and almost led to downfall of the government
- People blamed the government

November 17, 2008 -- Updated 2031 GMT (0431 HKT)

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Colombia acts on pyramid scheme collapse

STORY HIGHLIGHTS

- Colombia declares state of emergency after pyramid schemes collapse
- About 3 million people are estimated to have lost \$200 million
- Officials can use emergency powers to take over the companies
- Government says the companies were defrauding their clients

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TEXT SIZE

BOGOTA, Colombia (CNN) -- The Colombian government declared a state of emergency Monday, allowing officials to take over businesses that used pyramid schemes to steal millions of dollars from 3 million investors.



The government immediately took over 60 branches of a company called DMG and shuttered its doors.

Officials hope to liquidate some of its assets to repay investors who were defrauded.

Colombians deposited their life savings in the schemes after being promised short-term returns of as much as 150 percent.


The government says the businesses defrauded

Money » Economy ■ Economic Calendar

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Colombia pyramid scheme enrages small investors

Posted 11/14/2008 11:26 PM | Comment  | Recommend 

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By Vivian Sequera, Associated Press Writer



 Enlarge

by Luis Benavides, AP

BOGOTA, Colombia — A collapsed pyramid scheme that cost millions and sent swindled investors rioting in the streets continued to plague southwestern Colombia late Friday, with two people dead, 13 towns under police curfew and the country's top banking regulator resigning.

A total of 600 million pesos (\$270 million) is believed to have been lost by the investment company "Dinero Rapido Facil Efectivo," or "Easy Money Fast Cash" in English, police said.

The collapse so far has affected hundreds of investors in small towns and rural areas.

The company offered profits of 70 percent to 150 percent a month, Narino state Gov. Antonio Navarro said in an interview with Caracol radio.

The yearlong scheme was allowed to flourish because of "naivete, greed and banking regulators' failure to act," said

Investors gather outside an office of DRFE, "Easy Money Fast Cash" in English, a lending company that offered high rates of return in Medellin, Colombia, Friday, Nov. 14, 2008. Authorities seized dozens of the DRFE's offices throughout the country after the collapse of a pyramid scheme that offered 70 percent returns. (AP Photo/Luis Benavides)

Navarro, whose state was home to the company headquarters.

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Authorities had a hard time explaining why they hadn't intervened earlier with at least 240 offices offering absurdly favorable returns.

ROLE OF THE SECURITY

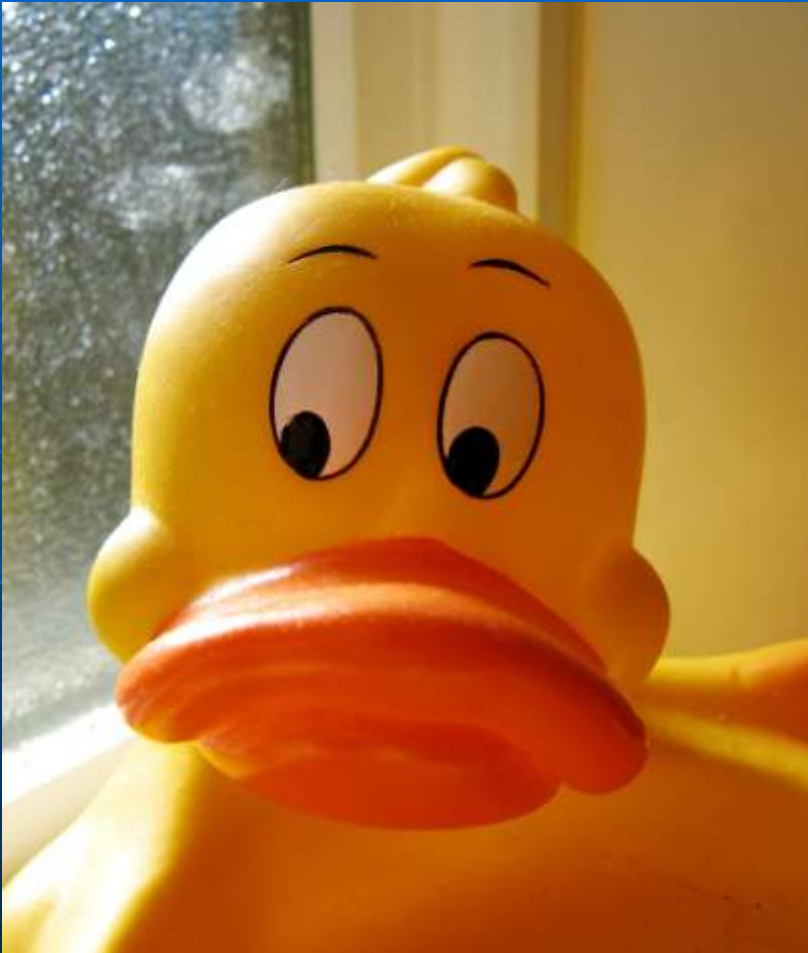


- Security is offered as an interest in the investment opportunity.
- The nature of the investment opportunity itself is irrelevant to the analysis of whether a security has been offered or sold.

WHAT CONSTITUTES A “SECURITY?”



WHAT DO THESE ANIMALS HAVE IN COMMON?



STATUTORY DEFINITIONS

- Section 2(a)(1) of the 1933 Act, 15 U.S.C. § 77b(a)(1), and §3(a)(10) of the 1934 Act, 15 U.S.C. § 78c(a)(10), in slightly different formulations which are treated as essentially identical in meaning, define “security” to include “any note, stock, treasury stock, security future, bond, debenture, ... investment contract, ... [or any] instrument commonly known as a ‘security’.”
- “Investment contract” is not itself defined.

SUPREME COURT INTERPRETATIONS



THE HOWEY TEST

- The test for an “investment contract” was established in SEC v. W. J. Howey Co., 328 U.S. 193 (1946).
- The analysis is “whether the scheme involves an investment of money in a common enterprise with profits to come solely from the efforts of others.”
- This definition “embodies a flexible rather than a static principle, one that is capable of adaptation to meet the countless and variable schemes devised by those who seek the use of the money of others on the promise of profits.”

THE REVES TEST

- In Reves v. Ernst & Young, 494 U.S. 56 (1990), the Supreme Court adopted the “family resemblance” test, articulated by the Second Circuit, in determining whether or not a particular note constitutes a security.

FOUR FACTOR TEST

1. The motivation of the buyer and seller;
 - Seller raising capital?
 - Buyer expecting returns?
 2. The plan of distribution of the instrument;
 - Offering document, memorandum or prospectus?
 - Trading or a secondary market?
 3. The reasonable expectations of the investing public;
 - Representations or advertising?
 4. Whether there is any risk-reducing factor.
 - Is reliance on the SEC or state securities statutes necessary?
 - Product under oversight of another regulatory organization?
- The Reves factors are viewed collectively and no one factor is dispositive.

THE FRAUDULENT INVESTMENTS

How Prime Bank Frauds Work

Prime bank programs often claim investors' funds will be used to purchase and trade "prime bank" financial instruments on clandestine overseas markets in order to generate huge returns in which the investor will share. However, neither these instruments, nor the markets on which they allegedly trade, exist. To give the scheme an air of legitimacy, the promoters distribute documents that appear complex, sophisticated and official. The sellers frequently tell potential investors that they have special access to programs that otherwise would be reserved for top financiers on Wall Street, or in London, Geneva or other world financial centers. Investors are also told that profits of 100% or more are possible with little risk.

Individuals and entities are targeted, including municipalities, charitable associations and other nonprofit organizations. The promoters of these schemes have demonstrated remarkable audacity, advertising in national newspapers, such as *USA Today* and the *Wall Street Journal*. Some promoters of these schemes avoid using the term "Prime Bank note," and tell prospective investors that their programs do not involve prime bank instruments in an effort to demonstrate that their programs are not fraudulent. Regardless of the terminology, the basic pitch – that the program involves trading in international financial instruments – remains the same, and investors should continue to be vigilant against such fraud.

TREASURY DIRECT

http://www.treasurydirect.gov/instit/statreg/fraud/fraud_primebank.htm

Institutional - Prime Bank Instrument Fraud

Prime Bank Instrument Fraud

Prime Bank Instrument fraud schemes have attracted significant international attention, since individuals and organizations have lost billions of dollars worldwide. "Prime Bank Instrument Fraud" is the general term given to fraud schemes that go by many different names, including:

- Prime Bank Debentures
- Prime Bank Guarantees
- High-Yield Trading or Roll Programs
- Standby Letters of Credit
- International Chamber of Commerce (ICC) 3039 or 3034 Letters of Credit
- Guaranteed Bank Notes
- Discounted U.S. Treasury Securities
- International Monetary Fund Backed Securities

- Blocked Funds Investment Program
- Roll Program
- Irrevocable Pay Orders
- Fresh-Cut Paper
- High-Yield Investment Program (HYIP)
- ICC 3034 or 3039 Letter of Credit
- Off Balance Sheet Program
- Prime Insurance Guarantees
- High-Yield Debenture Trading, Financial Programs, Asset Management Programs
- Intermediate Bank Notes
- ICC 500 or 600 Bank Debenture Instrument
- IMF Stand-by Letters of Credit
- Discounted U.S. Treasury Obligations, Renting or Leasing of Treasury Securities
- "Limited Edition" or Defacto Treasury Securities,
- Blocked Funds Letters or Investment Programs, Seasoned Bank Debentures
- Private Placement Programs
- Private Trading Programs, International Certificate of Deposit (LCD)
- Irrevocable Bank Purchase Order (IBPO)
- Irrevocable Corporate/Confirmed Purchase Order (ICPO)
- Irrevocable Prime Bank Commitment

SIGNS OF “PRIME BANK” FRAUD

- Excessive guaranteed returns
- Little or no risk
- Fictitious financial instruments
- Extreme secrecy
- Exclusive opportunity
- Time sensitivity
- Inordinate complexity
- Meaningless “buzzwords”

U.S. V. RUDE,

88 F.3rd 1538 (9th Cir. 1996)

- Court found in this criminal case, beyond a reasonable doubt, “that the very notion of a ‘prime bank note’ was fictitious,” and that the term “prime bank” was not used in the financial industry “and was commonly associated with fraud schemes.”



CFTC Consumer Advisory: **Forex Fraud**

If it sounds too good to be true, it probably is!

Unsafe Conditions

Forex fraudsters typically...

Be Alert

If you hear this...

Moving Violations

Enforcement statistics

Consumer Advice

What you should know...

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Unsafe Conditions

Forex fraudsters typically:

- **Promise profits, but they don't deliver — their customers lose money instead!**
- **Claim most customers make money, when in fact most lose.**
- **Claim to be trading customers' funds, when in fact they are stealing them.**
- **Give you phony success stories from made-up customers.**
- **Create fake account statements showing false trading profits.**
- **Claim that they have been in business for years, when in fact it is often only months.**
- **Claim to be solid and stable firms, until they disappear and leave customers' calls unanswered.**



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Be Alert

If you hear this....

"You can make six-figure profits within a year."

"Forex investments are very low risk."

"You can double your money."

"Mortgage your house or use your retirement funds."

"My recommendations can't miss."

"You will make money whether exchange rates move up or down."

"You must invest right now or it will be too late."

....Don't Invest!



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COMMON MISREPRESENTATIONS

- Proprietary trading strategy, software or platform
- Trading by banks or currency traders in Geneva or Zurich (or anywhere else with similar appeal)
- “Unique” experience and/or connections of trader
- Leverage for high returns
- Low risk
 - Low margins on high volume trading

Don't be fooled by "FOREX"

- Usually the fraudster never did any FOREX trading at all
- But even if trading happened, this is usually irrelevant because:
 - Material misrepresentations omissions made as to risks, returns, use of funds
 - Fraudsters always convert investor funds to personal uses not disclosed to investors
 - Luxury items, travel, personal expenses
 - When fraudsters do trade, they seldom (if ever) trade all the funds and never make money
 - In fact, they usually lose their investment funds

OTHER INVESTMENTS

- Traditional securities
 - Stocks, bonds, options
- Real Estate
- Partnership interests
 - Investor purportedly involved in management of investments
- Interests in specific assets or property
 - Oil and gas wells
 - Vending machines
 - Telephone booths
- Do not be guided by what fraudsters call the investments!!!

AFFINITY FRAUD



- Investment scams that prey upon members of identifiable groups
- Ponzi and Pyramid Schemes marketed to affinity groups
- Affinity aspects pose regulatory challenges



U.S. Securities and Exchange Commission

Affinity Fraud: *How To Avoid Investment Scams That Target Groups*

What is an Affinity Fraud?

Affinity fraud refers to investment scams that prey upon members of identifiable groups, such as religious or ethnic communities, the elderly, or professional groups. The fraudsters who promote affinity scams frequently are - or pretend to be - members of the group. They often enlist respected community or religious leaders from within the group to spread the word about the scheme, by convincing those people that a fraudulent investment is legitimate and worthwhile. Many times, those leaders become unwitting victims of the fraudster's ruse.

These scams exploit the trust and friendship that exist in groups of people who have something in common. Because of the tight-knit structure of many groups, it can be difficult for regulators or law enforcement officials to detect an affinity scam. Victims often fail to notify authorities or pursue their legal remedies, and instead try to work things out within the group. This is particularly true where the fraudsters have used respected community or religious leaders to convince others to join the investment.



CFTC Consumer Advisory: **Forex Fraud**

If it sounds too good to be true, it probably is!

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Moving Violations

In a recent period, the CFTC filed over **80 enforcement actions** in federal court **against hundreds of firms**, owners and employees for defrauding **over 23,000 customers** who lost over **\$300 million** in these Forex schemes.

Many of these Forex fraudsters were also criminally prosecuted and are now in jail. However, the defrauded investors rarely recovered any of the funds they lost.



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New Focus?

- Lots of lessons to be learned
 - Historical focus on bottom of the market
 - Recent events show that these schemes can occur at the top of the market

THE “MADOFF” SCHEME

- **The case is ongoing. All the facts below are from public sources.**
- 1960: Opens “Bernard L. Madoff Investment Securities L.L.C.” at age 22, with \$5,000
- 1989: His trading firm handled more than 5% of the trading volume on the NYSE
- 1990: Becomes Chairman of the Nasdaq
- 2008: Scheme unravels as investors, rattled by the financial crisis, start taking money out faster than Madoff can bring fresh cash in the door

THE SCHEME - CONTINUED

- Dec 11: SEC files emergency action
 - Court appoints receiver for Madoff entities in UK
- Dec 12: U.S. Court imposes TRO
- Dec 15: Court enters protective decree on application of SIPC (Securities Investor Protection Commission)
 - SIPC trustee appointed
 - SPIC – nonprofit membership corporation; SIPC fund available to satisfy investors' claims against failed broker dealers
- Dec 18: U.S. Court enters preliminary injunction and asset freeze
- Dec 19: U.K. Court appoints liquidators for Madoff entity in UK
- Jan 8: Prosecutors argue Madoff a “danger to the community” and should go to jail pending trial, after he mailed valuables to friends and family
- Jan 13: Judge declines to revoke bail; NYT reports plea deal being negotiated
- Feb 10: Madoff and SEC reach partial deal
- Mar 3: Madoff pleads guilty to 11 criminal charges, including securities fraud
- June 29: Madoff sentenced to 150 years in Prison

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

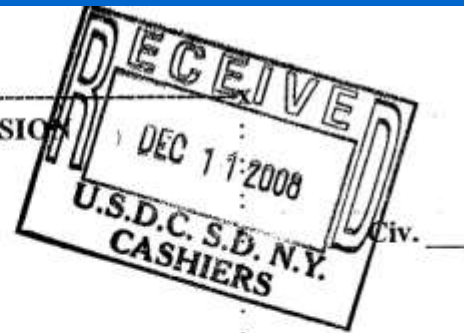
SECURITIES AND EXCHANGE COMMISSION

Plaintiff,

- against -

BERNARD L. MADOFF,
BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendants.



COMPLAINT

Plaintiff Securities and Exchange Commission ("Commission"), for its Complaint against defendants Bernard L. Madoff ("Madoff") and Bernard L. Madoff Investment Securities LLC ("BMIS"), alleges:

SUMMARY

1. The Commission brings this emergency action to halt ongoing fraudulent offerings of securities and investment advisory fraud by Madoff and BMIS, a broker dealer and investment adviser registered with the Commission. From an indeterminate period through the present, Madoff and BMSI has committed fraud through the investment adviser activities of



U.S. Securities and Exchange Commission

U.S. SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 20834 / December 19, 2008

Securities and Exchange Commission v. Bernard L. Madoff and Bernard L. Madoff Investment Securities LLC (S.D.N.Y. Civ. 08 CV 10791 (LLS))

SEC Obtains Preliminary Injunction, Asset Freeze, and Other Relief Against Defendants

The United States Securities and Exchange Commission announced that on December 18, 2008, the Honorable Judge Louis L. Stanton, a federal judge in the Southern District of New York, entered a preliminary injunction order, by consent, against Bernard L. Madoff and Bernard L. Madoff Investment Securities LLC ("BMIS"). The preliminary injunction continues to restrain Madoff and BMIS from violating certain antifraud provisions of the federal securities laws. Also, by consent, Judge Stanton ordered that assets remain frozen until further notice, continued the appointment of a receiver for two entities owned or controlled by Madoff in the United Kingdom (while defendant BMIS remains subject to oversight by a SIPC trustee), and granted other relief. The preliminary injunction order continues the relief originally obtained on December 12, 2008, in response to the Commission's application for emergency preliminary relief that sought a temporary restraining order, an order freezing assets, and other relief against Madoff and BMIS based on his alleged violations of the federal securities laws.

THE VICTIMS

- “Feeder Funds”
 - raise issues of disclosure
- Prominent U.S. and international financial institutions
 - Issues of further financial instability?
- Individuals with relationships and affinities

Red Flags

(From Public Sources)

- Regularity of returns, despite market conditions
- Returns too high given amounts under management
- Non-transparency of investment strategy
- Other industry professionals unable to duplicate returns
 - Public and private doubts
- Madoff was both the broker dealer and investment adviser
- He sent paper copies of trading records to clients instead of electronic copies (or electronic access to firm's trading platform)
- 1 CPA responsible for audit of entire Madoff enterprise
- Fee structure (commissions vs. money management fees)
- Enterprise is a family business with no independent or outside scrutiny

OUCH!

NEW YORK POST
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THE SEC WATCHDOG WHO MISSED MADOFF

DON'T BLAME ME: CHEUNG

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By LORENA MOIGELLI and DAI MAIGAH

EXCLUSIVE

Last updated: 1:17 pm
January 7, 2009
Posted: 12:36 am
January 7, 2009

The Securities and Exchange Commission's New York watchdog, under fire for failing to uncover Bernard Madoff's alleged \$50 billion Ponzi scheme - despite a dead-on tip by a whistleblower - yesterday tearfully defended herself, arguing that she and the agency did the best job possible.

MORE: Prosecutors Reveal Madoff's Treasure Trove

Mother's helper
Manhattan Cheung, the ex-New York branch chief for the SEC, pined off on the last Bernard Madoff (asset) investigation in 2006. Cheung, photographed outside her Manhattan apartment yesterday, told The Post she is being scapegoated.



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PHOTO EXCLUSIVE

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SEC's Madoff Probe: How Much Blame Does It Deserve?

By Zachary Roth - December 18, 2008, 6:33PM



As readers who have been following this story know, the SEC conducted a **number of reviews** of Bernard Madoff's brokerage business over the last decade, and found no serious problems.

But if the SEC can be said to be on trial, one recent investigation may be emerging as Exhibit A for the prosecution.

That's the one, **highlighted** by the *Wall Street Journal* this morning, that begun in 2006 in response to a long and detailed complaint from Harry Markopolos, a rival broker, and wrapped up the following year with its only significant action being to require Madoff to register as an investment adviser.

But is it fair to blame that SEC team for falling down on the job? And was the wrap on the knuckles ultimately prescribed by the commission an example of Madoff getting special treatment?

To a lay person, the details of the case appear pretty damning. In an SEC enforcement **document** entitled "Case Closing Recommendation" and posted by the *Journal*, an SEC staffer wrote:

THE FALLOUT

- Regulatory
 - WSJ (Jan 5, 09): SEC “examined” Madoff at least eight times in 16 years; interviewed him at least twice; FINRA involved in “several investigations” of Madoff’s firm
 - Industry / Competitors’ concerns
- Political
 - Congressional Hearings
- Statutory
 - E.g., Enron and Sarbanes-Oxley
- Industry
 - Hedge Fund regulation
 - Independent administrators
 - (In June 2006, a U.S. Court of Appeals overturned the SEC rule requiring hedge-fund managers to register as investment advisers.
- Professional careers and reputations
 - Suicide; security; financial ruin

Another “Up Market” Scheme

- **SEC v. Stanford International Bank (N.D.TX) Case No. 3-09CV0298, filed February 17, 2009**
 - <http://www.sec.gov/litigation/litreleases/2009/lr20901.htm>
 - Robert Allen Stanford and three of his companies, the Antigua-based Stanford International Bank (SIB); Houston based broker-dealer and investment adviser, Stanford Group Company (SGC); and investment adviser, Stanford Capital Management, accused of \$8 billion Ponzi scheme

INTERNATIONAL ASPECTS

- Perpetrators
- Related Entities
 - Corporations
- Bank Accounts
- Other Assets
 - Real Estate; Cars; Art
- Offices
- Fund Transfers
- Intermediaries
- Privacy / Secrecy Laws
- Regulatory Cooperation



SEC Conducts Regional Securities Market Enforcement Program To Address Pyramid Schemes

**FOR IMMEDIATE RELEASE
2008-261**

Washington, D.C., Nov. 3, 2008 — The Securities and Exchange Commission announced today that it conducted an Understanding and Combating Unregulated Investment Schemes seminar in Jamaica from October 29 to 31. The three-day program included intensive training on methods for investigating and prosecuting pyramid and Ponzi-type investment schemes.

The regional program featured 65 delegates from 20 countries throughout Latin America and the Caribbean. The program was conducted primarily by SEC, Commodity Futures Trading Commission (CFTC), and International Monetary Fund (IMF) staff, and was hosted and co-sponsored by the IMF, Financial Services Commission of Jamaica, U.S. Agency for International Development, and the Caribbean Regional Technical Assistance Centre.

Linda Thomsen: “Since the beginning of 2008, the SEC has worked on over 24 Ponzi-type cases that raised over \$1 billion from over 15,000 defrauded investors.”