



*United States Attorney
Southern District of New York*

FOR IMMEDIATE RELEASE
MARCH 17, 2010

CONTACT: U.S. ATTORNEY'S OFFICE
YUSILL SCRIBNER
REBEKAH CARMICHAEL
JANICE OH
PUBLIC INFORMATION OFFICE
(212) 637-2600

**MANHATTAN GRAND JURY INDICTS TWO FORMER COMPUTER
PROGRAMMERS FOR BERNARD L. MADOFF INVESTMENT
SECURITIES, LLC, ON CHARGES OF CONSPIRACY
AND FALSIFYING RECORDS**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that JEROME O'HARA and GEORGE PEREZ -- former computer programmers for Bernard L. Madoff Investment Securities, LLC ("BLMIS") -- were indicted today by a federal grand jury in Manhattan on charges of conspiracy, falsifying records of a broker-dealer, and falsifying records of an investment adviser.

As alleged in the Indictment returned today in Manhattan federal court, as well as statements made in the course of relevant court proceedings:

Beginning in 1990 and 1991, respectively, O'HARA and PEREZ were employed as computer programmers at BLMIS. They primarily were responsible for developing and maintaining computer programs that supported the operation of the BLMIS investment advisory business (the "IA business"). Many of those programs were run on an IBM server known within BLMIS as "House 17."

Under the federal securities laws and regulations, BLMIS was required to keep certain books and records in the ordinary course of its business. Between 2003 and 2008, BLMIS was subject to at least five reviews by the United States Securities and Exchange Commission ("SEC") and a European accounting firm that was conducting a review of BLMIS's operations on behalf of a European IA client. As part of a concerted effort overseen by MADOFF and his employee, FRANK DIPASCALI, JR., to deceive both the SEC and the European accounting firm, O'HARA and PEREZ developed and maintained computer programs that generated numerous false and fraudulent records.

O'HARA and PEREZ are alleged to have known that the special programs they developed contained fraudulent information and that they were used in connection with the SEC and European accounting firm reviews.

O'HARA, 47, of Malverne, New York, and PEREZ, 44, of East Brunswick, New Jersey, each face a maximum sentence totaling 30 years in prison: five years on Count One (Conspiracy) and a maximum fine of \$250,000 or twice the gross gain or loss from the offense; 20 years on Count Two (Falsifying Records of a Broker-Dealer) and a maximum fine of \$5 million or twice the gross gain or loss from the offense; and five years on count Three (Falsifying Records of an Investment Adviser), and a maximum fine of \$250,000 or twice the gross gain or loss from the offense.

The case is assigned to United States District Judge LAURA TAYLOR SWAIN.

Mr. BHARARA praised the work of the Federal Bureau of Investigation in this case and also praised the United States Department of Labor's Employee Benefits Security Administration and the Internal Revenue Service for their roles in the ongoing investigation. He also thanked the SEC for its assistance.

Assistant United States Attorneys MARC LITT, LISA A. BARONI, WILLIAM J. STELLMACH, BARBARA A. WARD, and MATTHEW L. SCHWARTZ are in charge of the prosecution.

The charges and allegations contained in the Indictment are merely accusations and the defendants are presumed innocent unless and until proven guilty.

10-083

###