



December 2010  
Issue No. 2

## **U.S. Attorney's Report to the District**

On December 6, 2010, our Office made two significant announcements related to financial fraud, which I have made a priority program area for the District of Connecticut.

First, we announced the results of Operation Broken Trust, a nationwide Justice Department initiative that targeted individuals involved in fraudulent schemes that victimize the investing public. Over the course of approximately three months (from September through November 2010), we and our law enforcement partners were hard at work investigating and prosecuting individuals who have defrauded, or are alleged to have defrauded, investors through phony investment schemes or by stealing from their investment accounts. During that time, we brought eight prosecutions against eleven defendants, charging various federal criminal offenses related to the theft of more than \$56 million in savings from more than 200 investors.

Many of these victims are particularly vulnerable – retired, elderly, widowed – individuals who simply wanted to their hard-earned savings to be managed safely so that they could live their lives with a sense of financial security. That is why it is vital that we investigate aggressively and prosecute effectively these types of crimes: to hold wrongdoers accountable, to provide justice, and to seek – and where possible obtain – restitution for these victims.

Second, reinforcing our commitment to investigate financial fraud schemes that have devastated honest investors and eroded public confidence in the capital markets, we announced the formation of the Connecticut Securities, Commodities and Investor Fraud Task Force. The Task Force is actively investigating matters related to insider trading, market manipulation, Ponzi schemes, investor fraud, financial statement fraud, violations of the Foreign Corrupt Practices Act and embezzlement.

The Connecticut Securities, Commodities and Investor Fraud Task Force includes representatives from the U.S. Attorney's Office; Federal Bureau of Investigation; Internal Revenue Service – Criminal Investigation; U.S. Secret Service; U.S. Postal Inspection Service; U.S. Department of Justice's Criminal Division, Fraud Section and Antitrust Division; U.S. Securities and Exchange Commission (SEC); U.S. Commodity Futures Trading Commission (CFTC); Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP); Office of the Chief State's Attorney; State of Connecticut Department of Banking; the Greenwich Police Department; and the Stamford Police Department.

As a result of the unprecedented partnership that has been created by the Task Force we are seeing increased and enhanced training, case referrals, information sharing and case coordination. If you believe that you have been victimized by, or are knowledgeable about, financial industry fraud, please contact the Task Force by calling, toll free, **855-236-9740**, or by sending an email to [ctsecuritiesfraud@ic.fbi.gov](mailto:ctsecuritiesfraud@ic.fbi.gov). And please click here ([http://newhaven.fbi.gov/fraud\\_task.htm](http://newhaven.fbi.gov/fraud_task.htm)) to learn more financial fraud schemes and how you can protect yourself from becoming a victim.

Thank you.

David B. Fein