

Bachus Urges Hearings on Madoff Allegations

December 17, 2008

Congressman Spencer Bachus, Ranking Member of the House Financial Services Committee, urged Chairman Barney Frank in a letter today to convene hearings on the alleged \$50 billion Ponzi scheme committed by Bernard Madoff, a former Chairman of the Board of the NASDAQ Stock Market.

Ranking Member Bachus said, "Obviously there was a failure of regulatory oversight. Every day brings more news as to the devastating impact of this fraud on charities, private foundations, and government entities as well as individual and corporate investors."

Ranking Member Bachus's letter requests Committee hearings to "thoroughly investigate Mr. Madoff's conduct and the broader implications for securities market oversight and enforcement."

On December 11, 2008, the Federal Bureau of Investigation arrested Mr. Madoff and the Securities and Exchange Commission (SEC) charged him and his investment firm, Bernard L. Madoff Investment Securities LLC, for allegedly perpetrating a massive securities fraud on advisory clients of his firm. Among the allegations in the complaint are that Mr. Madoff "had for years been paying returns to certain investors out of the principal received from other, different, investors," and engaged in an elaborate pattern of deception to keep his scheme from investors, the public, and regulators. On December 16th, SEC Chairman Christopher Cox announced an investigation by the SEC's Inspector General into the agency's handling of the Madoff case, which he described as being characterized by "apparent multiple failures over at least a decade to adequately pursue these allegations or at any point to notify the Commission of them."

[Click here to see a copy of the letter.](#)

###