



UNITED STATES ATTORNEY'S OFFICE
Southern District of New York



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FOR IMMEDIATE RELEASE
Monday, November 18, 2013
<http://www.justice.gov/usao/nys>

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**MANHATTAN U.S. ATTORNEY ANNOUNCES CLAIMS PROCESS FOR
\$2.35 BILLION MADOFF VICTIM FUND**

*Eligibility Criteria Will Recognize Thousands of Victims Who Have So Far
Been Excluded From Recovery Efforts*

Preet Bharara, the United States Attorney for the Southern District of New York, announced today the start of the process for victims of the fraud perpetrated through Bernard L. Madoff Investment Securities LLC ("Madoff Securities") to make claims against the \$2.35 billion Madoff Victim Fund (the "MVF"). Victims may file claims under this process immediately. The MVF is funded through recoveries by the U.S. Attorney's Office in various criminal and civil forfeiture actions, and is overseen by Richard Breeden, the former Chairman of the United States Securities and Exchange Commission, in his capacity as Special Master appointed by the Department of Justice to assist in connection with the victim remission proceedings.

The MVF also announced Department of Justice-approved eligibility criteria for granting victim claims. For the first time since Madoff Securities collapsed in December 2008, victims of the Madoff Securities fraud who invested through "feeder funds," investment groups, and other pooled investment vehicles will be eligible to recover for their losses alongside direct investors in Madoff Securities.

Manhattan U.S. Attorney Bharara said: "This was an epic fraud and the process of compensating victims has been complex, but significant steps have been taken, and the Government is continuing its investigation to ensure that assets are recovered for the benefit of Madoff's victims. With today's announcement, we take a great step forward in returning the \$2.35 billion collected so far to Madoff's victims, and we hope to return even more. The process we have put in place opens the door for thousands of defrauded victims who otherwise might never have recovered anything. We have made eligibility to recover far more inclusive, and more equitable, than ever before. We will continue to work tirelessly with our partners from the FBI and the IRS to track down any and all proceeds of Madoff's Ponzi scheme and return them to their rightful owners."

Of the approximately \$2.35 billion currently in the MVF, approximately \$2.2 billion was collected as part of the historic December 2010 civil forfeiture recovery from the estate of deceased Madoff investor Jeffrey Picower. The remaining funds were collected through a civil forfeiture action against investor Carl Shapiro and his family, and from civil and criminal forfeiture actions against Bernard L. Madoff, Peter B. Madoff, and their co-conspirators. In addition, there are a number of pending civil and criminal matters being pursued by the U.S. Attorney's Office that, along with other pending matters, could lead to further collections and resultant distributions from the MVF.

Under the eligibility criteria announced today, subject to limited exceptions, anyone that lost his or her own funds that were invested in Madoff Securities at the time of its collapse, and who can document their net loss, will be eligible to recover from the MVF. That may include the more than 10,000 investors whose claims were denied in the Madoff Securities bankruptcy as "indirect" claims. Victim claims must be received by the MVF no later than February 28, 2014. Information about the MVF, including detailed eligibility criteria and instructions for filing a claim, can be found on its website at www.madoffvictimfund.com. Further questions about the eligibility criteria or filing procedures should be directed to the office of the Special Master, by phone, at (866) 624-3670, or by e-mail, at info@madoffvictimfund.com.

Mr. Bharara praised the work of the FBI and the IRS in connection with collecting the funds to be distributed, and thanked the Asset Forfeiture and Money Laundering Section of the Department of Justice for its assistance in the remission proceedings.

This case was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force, on which Mr. Bharara serves as a Co-Chair of the Securities and Commodities Fraud Working Group. The task force was established to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. attorneys' offices and state and local partners, it's the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state and local authorities; addressing discrimination in the lending and financial markets and conducting outreach to the public, victims, financial institutions and other organizations. Over the past three fiscal years, the Justice Department has filed nearly 10,000 financial fraud cases against nearly 15,000 defendants including more than 2,900 mortgage fraud defendants. For more information on the task force, please visit www.StopFraud.gov.

The Madoff Securities cases are being handled by the Office's Securities and Commodities Fraud Task Force. Assistant U.S. Attorneys Matthew L. Schwartz, Randall W. Jackson, John T. Zach, Arlo Devlin-Brown, Christopher Frey, and Paul M. Monteleoni are in charge of the cases.