



Investors Want Aid From Stanford-Linked Congressman

LAW, LEGISLATION, REGULATION, ALLEN STANFORD, PONZI SCHEME, TEXAS, GOP, REPUBLICAN, PETE SESSIONS

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A group of investors in Allen Stanford's alleged Ponzi scheme are demanding a powerful Texas congressman give them the same kind of support he showed Stanford when regulators shut down the alleged scam in February.

The Miami Herald reported Sunday that on February 17, the day the Securities and Exchange Commission charged Stanford with a massive fraud, Republican Congressman Pete Sessions wrote an e-mail to Stanford saying, "I love you and believe in you. If you want my ear/voice—e-mail."

The Herald says the Justice Department has launched a "sweeping" investigation into Stanford's ties to Sessions and other lawmakers from both parties. A Justice Department spokeswoman declined to comment to CNBC about the report, because it is "an ongoing case."

But the Stanford Victims Coalition, which claims to represent some 28,000 investors, is seizing on the report to demand Sessions come to their aid.

"While Congressman Sessions was writing that email to Allen Stanford on that fateful day in February," writes Coalition founder Angela Shaw in a letter to Sessions' office, "panic struck the lives of Stanford investors as they feared the worst—that their retirement plans, their children's college savings, their life's savings would never be recovered."

Shaw, who lives in Sessions' Dallas Congressional District, notes that Sessions has been supportive of the Stanford investors in the past, including signing a letter from 48 members of Congress to SEC Chairwoman Mary Schapiro earlier this year seeking coverage for the investors under the Securities Investor Protection Act.

Now, armed with Sessions' e-mail to Stanford, Shaw is demanding the Congressman step up his fight for the coverage, which would allow the investors to collect as much as \$500,000 in insurance proceeds from the Securities Investor Protection Corporation, which, so far, has refused to cover the Stanford investors.

"I implore Congressman Sessions to do the right thing and help Stanford victims obtain SIPC coverage," Shaw writes, adding, "We need the kind of genuine support he showed Allen Stanford in February."

Sessions, the Chairman of the Republican Congressional Campaign Committee, was among a bipartisan group of lawmakers who came to be known as the "Caribbean Caucus" as a result of their frequent trips to the region--trips funded by a Stanford-backed non-profit organization. He has received \$44,375 in campaign contributions from Stanford and members of his staff, according to the Miami Herald.

Sessions' press secretary, Emily Davis, has defended the Congressman, saying in a statement to Politico this week that "Allen Stanford had everyone fooled," and insisting Sessions has worked to ensure that investors get justice.

As for the e-mail, Davis says while it "cannot be authenticated, Congressman Sessions believes that its contents represent language he would use to communicate with a person in crisis to encourage right decisions and prevent further tragedy."

The statement appears to ring hollow with the Victims Coalition. In her letter to Sessions' office, Shaw notes, "his reputation is on the line—along with our financial futures."

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