

XM MLB Chat

Monday, February 07, 2011

SEC swells who ignored Madoff warnings now at posh law firms making big bucks

2/7/11, "[They blew off the biggest securities fraud](#) in history -- and got a career boost and hefty pay raise.

[Several former](#) senior officials at the [Securities and Exchange Commission](#) who had the power and tools to stop Bernie Madoff in his criminal tracks -- yet ignored warnings for nearly two decades -- have moved on to lucrative law-firm partnerships, The Post has learned.

"[Everybody made](#) out like bandits except for the people who were really screwed," said a former ranking SEC attorney, who left the agency before the Madoff case exploded.

"It's such an outrage, how bad it was. And they're all making well over seven figures now."

The SEC's inspector general has found the agency [had been tipped off repeatedly](#) since the early 1990s, and, if the regulators had done their job they "could have uncovered the Ponzi scheme well before Madoff confessed."

At the top of the class of ex-SEC enforcement officials who clawed up the career ladder despite zero-oversight in the Madoff scam is

Linda Thomsen, a 14-year veteran at the agency and director of enforcement for three years

when the colossal Ponzi scheme burst into the headlines in 2008.

She is now a partner at the international law firm Davis Polk & Wardwell, where [Grover Cleveland](#) worked between his two terms as president.

Also graduating to better jobs and fatter paychecks are three former deputy directors of enforcement:

Peter Bresnan, now at Simpson Thacher & Bartlett;
George Curtis, now at Gibson Dunn & Crutcher; and
Walter Ricciardi, now at Paul Weiss Rifkind Wharton & Garrison.

[Two former](#) directors of the SEC's New York regional office also moved up and out:

Mark Schonfeld, also at Gibson Dunn & Crutcher; and

XML

About

Baseball blog & comments on XM MLB 175 and others that "define the daily discourse." It seems baseball has become very involved with government today so I follow that as well. I agree with Doug Pappas' statement: "Any writer meeting the Commissioner's standards of 'good journalism' should be fired." I'm also a 'Saves Scholar.' Not affiliated with XM.

About Me



Name: susan
Location: new york, new york, United States

I'm the daughter of an Eagle Scout (fan of the Brooklyn Dodgers and Mets) and a Beauty Queen.

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Wayne Carlin, now at Wachtell Lipton Rosen & Katz.



When they worked at the SEC, each was earning about \$200,000 to \$225,000.

In their new gigs, they pull down [\\$2 million a year](#) or more, according to Peter Zeughauser, a California-based consultant who tracks attorney salaries.

[Ricciardi told](#) The Post **he did what he could**, noting the inspector general's report mentioned that he alerted Schonfeld to the

"potential urgency of the [Madoff] situation"

in 2005. At that time, Ricciardi was director of the SEC's Boston office.

He [would not answer](#) follow-up questions, and none of the other former SEC officials would comment.

"You have to do more than just tell one person of these suspicions," the former SEC attorney said. "Then, after he became a big player - the deputy director of enforcement -- what did he do? As soon as he got into a position of power . . . to do something,

[he did nothing.](#)"

2/7/11, "[SEC officials who missed Madoff now in top spots at major law firms](#)," NY Post, Josh Margolin

Reference: 12/8/10, "[SEC porn peepers' names to be kept secret](#)," Washington Times, Jim McElhatton

"The next time there

is a [Bernie Madoff failure](#) the [American public will not be able](#) to obtain the SEC documents that describe the failure,"

referring to the shamed broker whose Ponzi scheme [cost investors billions](#)."...

Reference: **4/29/10, [Freedom of Information Act documents were the only way](#)** taxpayers (who pay SEC salaries) had of finding out that even high level **SEC employees were spending enormous amounts of time [viewing porn](#)**. And that [not one person has been](#) fired as a result. Now it will be illegal for us who pay SEC salaries to know what they are doing on the job:

Washington Times: **["The \(SEC\) attorney had looked up sex websites nearly](#)**

300 times, also over a two-month period. But his job appeared safe, too,

after SEC management proposed a one-day suspension, records show."...



7/28/10, "[SEC says new financial regulation law exempts it from public disclosure](#)," Fox Business News, by Dunstan Prial

"So much for transparency.

[Under a little-noticed provision](#) of the recently passed [financial-reform legislation](#), the [Securities and Exchange Commission](#)

no longer has to comply with virtually all requests for information releases from the public, including those filed under the Freedom of Information Act."...

NY Post article via MichaelSavage.com

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