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Brits looking for possible Madoff money laundering

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British fraud investigators are probing the activities of accused Wall Street scammer Bernard Madoff's London office for possible money laundering, a law enforcement source said Thursday.

The investigation is being carried out by the British government's Serious Fraud Office, one of a number of inquiries under way by that agency into Madoff's alleged \$50-billion Ponzi scheme, said the source, who didn't want to be identified.

A spokesman for the SFO, which is empowered to investigate a wide range of financial crimes in Britain, didn't want to comment about the agency's Madoff investigations. The SFO put out a general statement in January saying it was looking into Madoff's actions in Britain after getting a report from a court-appointed liquidator.

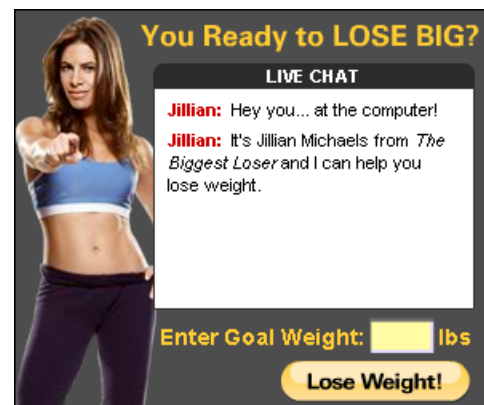
Ira Sorkin, Madoff's defense attorney, declined to comment Thursday.

It is not unusual in cases such as Madoff's, involving international clientele and massive losses sustained by investors, for possible money laundering to be investigated. One British private investigator said money laundering statutes in Britain are similar to those in the United States, defining money laundering as attempts to hide the proceeds of crimes or disguise their illicit origin. Legal experts believe federal prosecutors in Manhattan are also looking at money laundering as a possible charge against Madoff.

Madoff Securities International Ltd. had offices in London's tony Mayfair section, not far from the U.S. Embassy. After Madoff was arrested in December, British regulators moved through the courts to put the London operation into liquidation.

The company is now going through proceedings in the London High Court to gather assets and close the company. British court documents said that liquidators are empowered to seek any funds held in accounts with Barclays Bank Plc or brokerage accounts at Barclays Capital.

U.S. investigators have said that in 13 years of activity there are no records that show any securities trading done by Madoff's investment service despite representations to thousands of investors that their



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portfolios were earning steady returns. U.S. investigators have alleged that Madoff's suspected Ponzi scheme floated billions of dollars through his companies.

Lee Richards, who served as a receiver for Madoff's overseas companies in connection with a Securities and Exchange Commission lawsuit, said in federal court filings last month that he was able to trace two transfers totaling \$194 million from Madoff Securities International to Madoff's New York company last November.

Madoff, who remains under house arrest in Manhattan on \$10-million bail, has a scheduled court date a week from today, when prosecutors must either indict him, announce a plea bargain or adjourn the case.

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