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## DOJ Halted SEC's Investigation Into Stanford Financial

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FOXBusiness

The Securities and Exchange Commission [SEC] was told to stand down in its investigation of billionaire financier Robert Allen Stanford's global banking empire by the Department of Justice, according to the chairman of the Domestic Policy Subcommittee of the Oversight and Government Reform Committee.

Congressman Dennis Kucinich (D-OH) who has been investigating the investigation into the alleged Ponzi scheme fraud confirmed first to the FOX Business Network that the SEC halted its investigation after someone from an agency within the Department of Justice issued a stand-down order several years ago.

FOX Business broke this story Friday, and was issued a statement by Congressman Kucinich's office early Friday afternoon. That statement was then revised by the SEC working with Congressman Kucinich's office a second and third time. The third official statement reads as follows:

"It is our understanding that the SEC deferred to the Department of Justice, which began a concurrent criminal investigation of the Stanford Group, and that the SEC's own investigation of suspected law breaking was active throughout."

The SEC's delay in intervening and shutting the alleged fraud down has angered many Stanford investors who believe they could have been saved additional losses had the SEC intervened earlier.

***See the SEC page for the latest videos and stories on the Commission.***

"What upsets us, of course, is why did the regulatory bodies – if they new this man was a criminal – why did they allow him to work for another 10 years?" said Jon Bell, an investor from Oregon.

A statement from the Stanford Victims Coalition projected the same outrage.

"The SEC received numerous reports of the fraud being carried on by Stanford Group over the past decade and the least they could have done was disclose that information so investors could make an informed decision. Instead, the SEC became an accomplice to the fraud that has resulted in the loss of 28,000 investors' retirement accounts, family trusts, pension plans and college savings."

The latest details emerged as Stanford's legal team was granted a motion to withdraw its representation of Stanford in the civil case against him brought by the SEC. The legal team, which was comprised of four attorneys from the Houston law firm Nickens Keeton Lawless Farrell and Flack LLP, filed a motion Monday to withdraw as counsel in a civil court in Dallas.

"We just developed communication issues and he wanted to go somewhere else," Jacks Nickens, who was the lead attorney on the case, said of Stanford.

"It's been quite an experience," he continued.

Dick DeGuerin another Houston attorney who was of counsel for Stanford on the civil matters has also withdrawn from the civil case but will continue to represent Stanford if and when any criminal charges are filed. DeGuerin admitted that the appointment of a new law firm to case could slow the proceeding down.

"Any new law firm that comes in will need additional time to get up to speed," DeGuerin said.

According to court documents, Stanford is reportedly hiring another Houston attorney, Michael Sydow, to represent him in the civil case. Calls to Sydow's office were not returned.

DeGuerin said he does expect criminal charges to be filed.

"This is a very complex case—Stanford didn't do anything wrong," DeGuerin said. "The problems with the Stanford Financial Group Companies stem largely from what the SEC did in their Gestapo-like attack on the Stanford companies. They cause a run on the banks and they caused tremendous damage."

DeGuerin said that Stanford is not cooperating with the SEC in their investigation.

"He is not cooperating with the SEC," DeGuerin said. "You don't cooperate with a rattlesnake."

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