



Department of Justice

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Department of Justice Compensates Victims of Bernard Madoff Fraud Scheme With Funds Recovered Through Asset Forfeiture

The Department of Justice today announced that on Nov. 9, the Madoff Victim Fund (MVF) began its initial distribution of \$772.5 million in funds forfeited to the U.S. Government in connection with the Bernard L. Madoff Investment Securities LLC (BLMIS) fraud scheme. These funds will be sent to 24,631 victims across the globe. This distribution represents the first in a series of payments that will eventually return over \$4 billion to victims as compensation for losses they suffered from the collapse of the BLMIS. The MVF has received over 65,000 petitions from victims in 136 countries.

These payments mark the single largest distribution of forfeited funds in the history of the Department's victim compensation program.

Deputy Attorney General Rod J. Rosenstein, Acting U.S. Attorney Joon H. Kim for the Southern District of New York and Assistant Director in Charge William F. Sweeney Jr., of the FBI's New York Field Division made the announcement.

"Thanks to civil asset forfeiture, the Department of Justice is announcing today the record-setting distribution of restitution to victims of Bernard Madoff's notorious investment fraud scheme," said Deputy Attorney General Rosenstein. "We have recovered billions of dollars from third parties – not Mr. Madoff – and are now returning that money to tens of thousands of victims. This is the largest restoration of forfeited property in history."

"Bernie Madoff committed one of history's largest and most devastating frauds," said Acting U.S. Attorney Kim. "This Office not only prosecuted Madoff himself and others who helped perpetrate his fraud, but has remained committed to recovering money for his victims. To date, this Office has recovered more than \$9 billion for the innocent victims of Madoff's fraud, and today's distribution of \$770 million, the single largest distribution of forfeited funds in the Department's history is part of our ongoing commitment to not only prosecute criminals but also find relief for victims."

"No amount of money in the world could ever reverse the catastrophic effects Madoff's historic Ponzi scheme had on individuals and businesses alike," Assistant Director in Charge Sweeney. "But now, nearly a decade after this crime was exposed, it is our hope that victims will finally be able to see the light at the end of a long, dark tunnel."

For decades, Bernard L. Madoff used his position as Chairman of BLMIS, the investment advisory business he founded in 1960, to steal billions from his clients. On March 12, 2009, Madoff pleaded guilty to 11 federal felonies, admitting that he had turned his wealth management business into the world's largest

Ponzi scheme, benefitting himself, his family and select members of his inner circle. On June 29, 2009, U.S. District Judge Denny Chin sentenced Madoff to 150 years in prison for running the largest fraudulent scheme in history. Judge Chin ordered Madoff to forfeit \$170.799 billion as part of Madoff's sentence.

Of the approximately \$4.05 billion that will be made available to victims, approximately \$2.2 billion was collected as part of the historic civil forfeiture recovery from the estate of deceased Madoff investor Jeffrey Picower. An additional \$1.7 billion was collected as part of a Deferred Prosecution Agreement with JPMorgan Chase Bank N.A. and civilly forfeited in a parallel action. 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.

The MVF's payouts would not have been possible without the extraordinary efforts of the U.S. Department of Justice Criminal Division's Money Laundering and Asset Recovery Section, the U.S. Attorney's Office for the Southern District of New York, and the FBI in the prosecution of these crimes and the recovery of assets supporting the forfeiture in this case. The MVF is overseen by Richard Breeden, former Chairman of the U.S. 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.

More information about MVF and its compensation to victims of BLMIS is available on the MVF website at www.madoffvictimfund.com, such as eligibility criteria, process updates, and frequently asked questions. Further questions may be directed to the MVF at 866-624-3670 or info@madoffvictimfund.com.

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