



*United States Attorney
Southern District of New York*



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**MANHATTAN U.S. ATTORNEY SEEKS CIVIL FORFEITURE
OF APPROXIMATELY \$5 MILLION IN ASSETS CONTROLLED
BY TWO FORMER BERNARD L. MADOFF
INVESTMENT SECURITIES LLC EMPLOYEES**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced today the filing of two civil Complaints seeking the forfeiture of approximately \$5 million in assets controlled by ANNETTE BONGIORNO and JOANN CRUPI, a/k/a "Jodi." As alleged in the civil Complaints filed today, BONGIORNO and CRUPI each spent more than twenty-five years working for Bernard L. Madoff Investment Securities LLC, the fraudulent investment advisory business owned and operated by BERNARD L. MADOFF. The assets allegedly subject to forfeiture constitute property traceable to proceeds of MADOFF's fraud.

According to the civil Complaints filed in federal district court in Manhattan today:

The investment advisory business of Bernard L. Madoff Investment Securities LLC ("BLMIS") was operated from at least the early 1980s as a massive Ponzi scheme, defrauding investors of billions of dollars. Rather than use client funds to invest in securities, as promised, BLMIS diverted those funds to pay other clients' redemption requests; fund transactions to disguise BLMIS's fraud; and enrich MADOFF, his family, and his associates. In order to support the lie that BLMIS was operating a legitimate investment advisory business, BLMIS created and disseminated fictitious account statements that, among other things, showed trades that never actually took place.

BONGIORNO and CRUPI, both members of MADOFF's back office staff, are alleged to have knowingly participated in this fraud. BONGIORNO was a supervisor of the back office staff and was responsible for responding to questions BLMIS clients asked about their purported investments; overseeing the fabrication of account statements, trade confirmations, and other documents; and distributing such documents and information to clients. But as

BONGIORNO knew, the securities transactions purportedly reflected in such documents were not being conducted, and client redemption requests were, in fact, paid with other clients' money.

CRUPI, meanwhile, handled the receipt of funds sent to BLMIS by its clients for investment; transferred clients' funds between and among various BLMIS bank accounts; handled requests for redemptions sent to BLMIS by clients; monitored, on a daily basis, funds transferred into and out of the BLMIS bank account that was principally used to perpetrate the fraud; and prepared and assisted in the preparation of fabricated documents designed to deceive regulators and outside auditors. Among other things, by keeping track of BLMIS's daily cash balance, CRUPI became aware that client redemption requests bore no relationship to BLMIS's cash on hand, which by late 2008 was woefully insufficient to meet those requests.

The civil Complaints filed today seek to forfeit property traceable, directly or indirectly, to funds obtained from defrauded investors of the BLMIS investment advisory operation. The Government has already seized, or intends shortly to seize, the assets identified in the civil Complaints, and named below:

With Respect to ANNETTE BONGIORNO:

1. Approximately \$1.1 million currently or formerly held in accounts at Citibank, Morgan Stanley Smith Barney, and HSBC;
2. A 2005 Bentley Continental, for which BONGIORNO paid approximately \$182,605;
3. A 2007 Mercedes Benz, for which BONGIORNO paid approximately \$90,000; and
4. Approximately \$1.3 million paid towards a luxury condominium.

With Respect to JOANN CRUPI:

1. A house in Mantoloking, New Jersey, for which CRUPI paid \$2,225,000 cash; and
2. Approximately \$26,500 in rental income from the Mantoloking house, currently held at Commerce Bank.

The United States Attorney's Office will ask that property forfeited in the civil cases announced today be liquidated and used to compensate victims of the BLMIS fraud. According to the Complaints, a number of former BLMIS employees have already been charged criminally. No criminal charges have been filed against either BONGIORNO or CRUPI.

U.S. Attorney PREET BHARARA said, "The Southern District of New York, working closely with our law enforcement partners, the SEC, and the SIPC Trustee, will continue to use every criminal and civil tool at our disposal to trace and recover assets for the victims of Bernard Madoff's epic fraud and to hold any co-conspirators accountable. The civil forfeiture complaints filed today seek to forfeit additional assets identified as proceeds of Madoff's crime, and represent another step in this still active and very much ongoing investigation."

Mr. BHARARA praised the work of the Federal Bureau of Investigation; the Internal Revenue Service; the U.S. Department of Labor's Employee Benefits Security Administration and Office of the Inspector General; and the United States Marshals Service. Mr. BHARARA also thanked the Securities and Exchange Commission and the SIPC Trustee for their assistance.

This case was brought in coordination with President BARACK OBAMA's Financial Fraud Enforcement Task Force, on which Mr. BHARARA serves as a Co-Chair of the Securities and Commodities Fraud Working Group. President OBAMA established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

Assistant United States Attorneys LISA A. BARONI, JULIAN J. MOORE, BARBARA A. WARD, and MATTHEW L. SCHWARTZ are in charge of the cases.

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