

November 13, 2024

The Honorable Merrick Garland
Attorney General of the United States
U.S. Department of Justice
950 Pennsylvania Avenue N.W.
Washington, D.C. 20530

Dear Attorney General Garland,

We write to you on behalf of the Louisianans and Texans who were defrauded and have yet to be made whole by Allen Stanford and the Stanford International Bank. In 2019, members of Congress wrote a letter urging that Société Générale provide restitution to the victims of Allen Stanford for its involvement in facilitating the Ponzi scheme.¹ Société Générale held \$210 million in frozen assets connected to the Stanford Ponzi scheme, which it refused to release to Stanford's victims. The undersigned were emphatic that this money belonged to the victims and should be returned to them immediately. There was a follow-up letter a year later expressing our frustration at the lack of progress and the bank's refusal to engage with the victims of the Ponzi scheme.²

Separately, members of Congress reached out to Toronto-Dominion Bank regarding its involvement with the Stanford Ponzi scheme.³ The undersigned highlighted troubling details relating to the bank's relationship with Allen Stanford and indicated that such lapses in compliance oversight could facilitate money laundering and other fraudulent activities. The undersigned demanded that Toronto-Dominion Bank engage with Stanford's victims to seek a swift resolution to the matter.

The Stanford Financial Receiver raised similar concerns and asked the Department of Justice to investigate Toronto-Dominion Bank for its involvement with the Stanford Ponzi scheme. We have been informed that the Stanford Financial Receiver received no acknowledgement regarding its requests. If true, this appears to be a break with the Department's prior practice to maintain open lines of communication and coordinate with victims' groups.

To better understand the issue, please provide a response to the following questions:

(1) What communications, if any, has the Department had with the Stanford Financial Receiver on this matter?

¹ Copy of letter attached under Annex A.

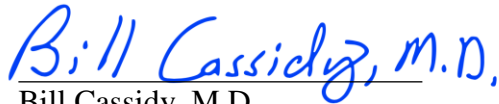
² Copy of letter attached under Annex B.

³ Copy of letter attached under Annex C.


(2) Did the Department consider seeking a restitution penalty as part of the recent settlement with Toronto-Dominion Bank regarding its Bank Secrecy Act and money laundering violations?⁴ Why or why not?

We thank you for your attention and look forward to your immediate response.

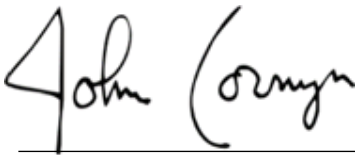
Sincerely,



Bill Cassidy, M.D.
United States Senator



John Kennedy
United States Senator



John Cornyn
United States Senator

⁴ Press Release, U.S. Department of Justice, TD BANK PLEADS GUILTY TO BANK SECRECY ACT AND MONEY LAUNDERING CONSPIRACY VIOLATIONS IN \$1.8B RESOLUTION (Oct. 10, 2024), <https://www.justice.gov/opa/pr/td-bank-pleads-guilty-bank-secrecy-act-and-money-laundering-conspiracy-violations-18b>.

ANNEX A

February 15, 2019

Mr. Slawomir Krupa
Chief Executive Officer
Societe Generale North America
245 Park Avenue
New York, NY 10167

Dear Mr. Krupa,

It has been nearly 10 years since the collapse of Stanford International Bank (SIB) and Allen Stanford's arrest for running the second largest Ponzi scheme in United States history. But nearly a decade later, more than 21,000 of Stanford's victims have yet to be repaid in any meaningful way. Currently, Société Générale (SocGen) and specifically its subsidiary SG Private Banking (Suisse) SA reportedly holds \$210 million in frozen assets¹ as a result of the Stanford Ponzi scheme. We strongly urge you to return these funds to their rightful owners without further delay. Regulatory intervention should not be necessary for Stanford's victims to receive the justice they deserve.

SocGen aided and abetted Stanford's banking outside the United States, and SocGen has continued to hold his victims' money hostage. As you know, the U.S. Department of Justice intervened on behalf of the victims in negotiating the payment of these funds, but SocGen is arguing that it is indemnified² by Stanford for their role and therefore can use the \$210 million it holds in Switzerland to offset any legal judgments.

Let us be very clear: this is not your money. It belongs to American citizens, \v110 have been victimized by SIB with your complicity. Refusing to return their money has prolonged their suffering, and it is unacceptable. It has been over five years since the U.S. Department of Justice brokered a Settlement Agreement and Cross Border Protocol to allow for the expedited distribution of these funds, yet the victims still have not received their money.

From the beginning of the relationship, Stanford's propensity for criminal activity was no surprise to SocGen. Indeed, SocGen hired a private investigation firm prior to going into business with Allen Stanford. The firm's report concluded that "Stanford International Bank has had a somewhat dubious reputation for many years,"³ had been used to launder considerable

¹ Lane, Sylvan. "Lawmakers Press DOJ to Help Victims of Ponzi Scheme." TheHill. August 14, 2017. Accessed February 13, 2019. <https://thehill.com/policy/finance/346508-lawmakers-ask-sessions-to-probe-blocked-restitution-payments-from-swiss-bank>.

² Doherty, Nicolette M. In *The Matter of Stanford International Bank Limited (In Liquidation) and In the Matter of the International Business Corporations Act, Cap 222 of the Laws of Antigua and Barbuda*. Report no. ANUHCV 2009/0149. The Eastern Caribbean Supreme Court in the High Court of Justice Antigua and Barbuda. Eighth Report ed. Joint Liquidators of Stanford International Bank (In Liquidation).

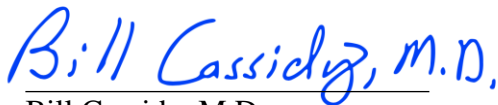
³ *Stanford International Bank Limited (in Liquidation) v. TD Bank, Canada, Province of Quebec, District of Montreal*, No. 500-17-067367-113, Page 4 (February 17, 2012).

volumes of criminally obtained funds, and SocGen should be concerned that "it would be very difficult for [SocGen] to defend itself or its reputation should any problems arise in the future."⁴ However, SocGen made the decision to go into business with SIB anyway, which predictably resulted in the very activities described in the investigator's report.

In light of the recent \$1.34 billion settlement and deferred prosecution agreement SocGen entered into with U.S. authorities related to sanctions violations⁵ and the June 2018, \$1.3 billion settlement with U.S. authorities related to bribery and Libor manipulation,⁶ we believe it is time for SocGen to address the fallout from its other dubious business practices and return these funds to their rightful owners.

Please begin the process of releasing these funds immediately. Within 21 days, please present to us your plan to quickly return all of these assets to our constituents and the other victims of Allen Stanford's fraud. While countless banks avoided doing business with SIB, SocGen chose to facilitate a massive Ponzi scheme and should not expect to be exonerated by the arrest of its orchestrator.

Sincerely,



Bill Cassidy, M.D.
United States Senator



John Kennedy
United States Senator

⁴ Ibid.

ANNEX B

February 5, 2020

Mr. Slawomir Krupa Chief Executive Officer
Societe Generale North America
245 Park Avenue
New York, NY 101657

Dear Mr. Krupa:

We write to follow-up concerning the meeting we conducted with your legal counsel on April 9, 2019 concerning the litigation filed against Societe Generale ("SocGen") in the Stanford International Bank Receivership and related matters.

We noted, and were quite disappointed, that no members of the SocGen board or management team thought that the meeting was sufficiently important to attend. Nonetheless, please be assured that the absence of SocGen leadership, along with the unsatisfactory and disingenuous responses we received during the course of this meeting, will only encourage our offices to continue its zealous investigation of SocGen and other financial institutions that enabled Allen Stanford and his entities to defraud investors of nearly \$7 billion.

Since the April 9, 2019 meeting, we conducted additional research concerning the veracity of the key representations made by your counsel at the meeting. The discussion of these matters is set forth below, and the results are not encouraging for SocGen.

Representation Concerning Dismissal of Class Action

Your counsel represented to us that the Rotstain class action had been "dismissed." This is simply wrong. The court simply did not approve certification of the class on the basis of different representations made to different persons who invested in the Stanford Ponzi scheme. Nonetheless, we understand that thousands of investors have sought to intervene in the Rotstain action to have their individual claims vindicated, and that these claims remain pending. We further understand that SocGen has opposed such intervention. There has been no determination in the U.S. courts concerning the merits of investor claims against SocGen, and any suggestion otherwise is inaccurate and disingenuous.

Representation Concerning Lack of Knowledge Of Stanford's Scheme

Your lawyers told our staff that "there is no evidence that the bank knew about or participated in the Stanford Ponzi scheme." They also told us that there is no "evidence that our 'know your customer' policies weren't being followed."

However, we have since learned that, not only does such evidence exist, but a court in Switzerland has concluded that SocGen failed to act in good faith in its dealings with Allen Stanford and the Stanford International Bank. The Swiss Financial Market Supervisory Authority

concluded that SocGen breached its anti-money laundering duties in respect to the Stanford accounts. This decision was affirmed by the Federal Administrative Court in 2016. Among the highlights of this decision were:

- SocGen "incorrectly applied the criteria for identifying high-risk transactions."
- "By failing to classify its business relationships with the client banks as those of a correspondent bank, or to monitor them with the necessary care when it had a duty to identify increased risks, [SocGen] was in breach of its due diligence obligations."
- SocGen "was in possession of information [concerning Stanford] likely to be considered as indicators of misconduct and therefore should have sought to obtain additional clarification."
- SocGen "failed to classify Robert Allen Stanford - and also the companies he controlled - as [Politically Exposed Persons] due to the incorrect application of the law and its relevant directives. It also disregarded information that should have led it to suspect a criminal source of the funds it accepted. This business relationship was not seriously analyzed, either by the account manager in the first instance, or by the compliance departments who should have been monitoring procedures so as to ensure respect for due diligence obligations in this case."
- In response to SocGen's assertion that it only operated as a "wealth manager" bank, the Court concluded that "not only were the accounts used to manage the personal assets of the Stanford group's clientele that were deposited with [SocGen], bearing in mind the frequent payments between the various accounts belonging to the companies of the group that were identified as "inter-group transfers" ... hence it cannot be concluded that [SocGen's] mandate was solely as a wealth manager to the exclusion of all other types of activity such as short-term investment. Consequently, the appellant was acting on behalf of its client members of the Stanford Group - at least in part - as a correspondent bank."

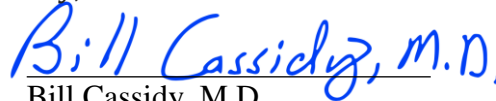
The inescapable conclusion is there was a complete failure of due diligence and monitoring of Stanford-affiliated accounts that SocGen was obligated to conduct. Your counsel stated there was no evidence that it knew about or participated in the Ponzi scheme. Not only does that appear to be a dubious proposition, but, more importantly, the determination of the Swiss court suggests that there are systemic problems with SocGen's anti-money laundering practices that warrant scrutiny by our offices and applicable regulatory authorities that we will be contacting.

We formally invite you to speak to us both, and our respective staff, directly to have a more productive conversation concerning these matters.



John Kennedy
United States Senator

Sincerely,



Bill Cassidy, M.D.
United States Senator

ANNEX C

June 14, 2019

Mr. Gregory B. Braca
President and Chief Executive Officer
Toronto-Dominion Bank
Toronto-Dominion Centre Toronto, Ontario M5K 1A2
Canada

Dear Mr. Braca,

It has been nearly 10 years since the collapse of Stanford International Bank (SIB) and Allen Stanford's arrest for running the second largest Ponzi scheme in United States history. Nearly a decade later, more than 21,000 of Stanford's victims have yet to be repaid in any meaningful way, and TD Bank has yet to be called to account for the years of knowing assistance it provided to Stanford and his Ponzi scheme, due in large part to the procedural and litigation roadblocks that TD Bank has thrown in the path of those seeking to obtain restitution for Stanford's victims.

In the interim, we understand that TD Bank has not only continued to operate throughout the United States, but expanded its American operations. We demand that TD Bank stop its obstructionist conduct, engage in a meaningful effort to put an end to this decade-long debacle, and provide restitution to the Stanford victims without further delay. Regulatory intervention should not be necessary for Stanford's victims to receive the justice they deserve.

As you are undoubtedly aware, the evidence indicates that TD Bank aided and abetted Stanford's banking outside the United States. By providing banking services to Allen Stanford without so much as questioning a single transaction in the face of Stanford's suspicious activity, TD Bank helped Stanford defraud thousands of unsuspecting victims.

TD Bank ignored numerous inescapable signs of fraudulent activity: large round sums leaving Stanford's TD Bank accounts; actual investment returns that could not support the unreasonably high CD returns SIB was offering; consistent wire transfers to accounts maintained by entities other than SIB; SIB's limited number of Canadian customers; SIB's correspondent banking services with another North American banking institution; SIB's location in Antigua, one of the highest risk jurisdictions in the world known for money laundering; and Stanford's declared bankruptcy and designation as a Politically Exposed Person. In its pursuit of the fees it could earn by aiding the Stanford empire, TD Bank also ignored warnings from many others - including the SEC, Pershing, L.L.C., Chase Manhattan Bank, and Bank of America - about doing business with Stanford and SIB. We will not permit TD Bank to hide any longer from the fact that it was an integral cog in the wheel of the Stanford Ponzi scheme.

TD Bank's involvement with Stanford is part and parcel of a disturbing pattern of TD Bank's turning a blind eye at its customers' fraudulent activities: a banking executive of TD Bank was

convicted of assisting efforts to induce investors to fund the Scott Rothstein Ponzi scheme, and TD Bank, through its New York Branch, also acted as a correspondent bank to American International Bank (Antigua) (AIB), another entity in receivership that engaged in financial fraud and money laundering despite not having conducted "any due diligence" on AIB as noted in a 2001 Congressional report.

We will not tolerate this conduct and the abandonment of investors that have been harmed by TD Bank and other financial institutions involved with Stanford.

Accordingly, please begin the process of providing restitution to the Stanford victims immediately. Within 21 days, please present to us your plan to put an end to the ongoing litigation with the Stanford receiver and other plaintiffs, and provide restitution to our constituents and the other victims of Allen Stanford's fraud.

Sincerely,



John Kennedy
United States Senator



Bill Cassidy, M.D.
United States Senator