Beat: Business

Madoff`s office director gets 10 years for aiding massive Ponzi scheme

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USPA News - A man who served as the director of operations for the company of disgraced financier Bernard Madoff has been sentenced to 10 years in prison for aiding Wall Street`s biggest ever investment fraud, prosecutors said on Monday as four others continue to await sentencing. Daniel Bonventre, 67, was among five people convicted in March in connection with their long-time employment at Bernard L. Madoff Investment Securities LLC, where they played an important role in maintaining Madoff`s massive Ponzi scheme, which was the largest in U.S. history and robbed investors of up to $65 billion over 20 years.

"As the jury unanimously found, these five defendants played crucial roles in constructing and maintaining the house of cards that was the Madoff investment fraud," Manhattan U.S. Attorney Preet Bharara said in March. "These defendants each played an important role in carrying out the charade, propping it up and concealing it from regulators, auditors, taxing authorities, lenders, and investors. The scheme these defendants helped perpetrate cost innumerable investors their life savings." Bonventre worked for Madoff`s company for about 40 years, during which he served as the firm`s Director of Operations. He was responsible for maintaining and supervising the production of the principal internal accounting documents for Madoff Securities, including its general ledger, financial statements, and stock record. Bonventre directed that false entries be made in the general ledger that concealed the scope of the investment advisory operations and understated the company`s liabilities by billions of dollars. In one example cited by prosecutors, Bonventre helped conceal the source of $750 million in investor funds by keeping it out of the company`s books and records, after which it was used to support Madoff Securities`s Market Making and Proprietary Trading operations. Moreover, prosecutors said that Bonventre knew that the general ledger did not accurately reflect the assets contained in the bank and brokerage accounts, and likewise did not reflect the liability of Madoff Securities to its investment advisory clients. The assets and associated liabilities of Madoff Securities`s investment advisory operations, which were omitted from the general ledger, ranged from millions to billions of dollars. "These convictions, along with the prior guilty pleas of nine other defendants, demonstrate what we have believed from the earliest stages of the investigation: This largest-ever Ponzi scheme could not have been the work of one person," Bharara said in March. "The trial established that the Madoff fraud began at least as far back as the early 1970s, decades before it came to light." Four other employees, Annette Bongiorno, Joann Crupi, Jerome O`Hara, and George Perez, are expected to be sentenced later this month. Madoff himself, who is now 76, was sentenced to 150 years in prison in 2009.

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