

Rell signs bill for Madoff-schemers

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Hartford (WTNH) - As Bernard Madoff learned his fate, Governor Jodi Rell signed a bill that will help authorities in the state treat schemers like Madoff like members of organized crime.

Essentially, state prosecutors will now be allowed to use racketeering statutes which are already on the books to go after those suspected of investment or securities fraud. In other words, prosecutors are free to pursue white collar crooks like Madoff in the same way they go after the mob.

It wasn't just the rich and famous who lost billions to Madoff and his Ponzi scheme; it was those helped by the charities; those the victims' supported financially, including the Hartford based non-profit Center for Children's Advocacy which lost \$85,000 in funding from the Jeht Foundation.

"Jeht foundation funded juvenile justice work. As a result, we have had to cut back in that area," said Martha Stone of the Center for Children's Advocacy. "We also have had to cut back in the areas of immigration and refugee services to the family. So it has been really devastating."

The bill signed by Governor Rell expands the state law designed to fight organized crime to securities and investment fraud by allowing state authorities to freeze the assets of anyone convicted of defrauding investors. It also allows state courts to set aside property transfers by those convicted that were designed to avoid court ordered forfeiture of assets.

"We know crime doesn't pay, at least that's what they tell us over and over again," said Governor Rell. "But this law, I believe, will ensure the criminal doesn't get paid."

The bill also empowers state authorities to explore setting up a restitution fund to pay those defrauded.

But what the new law doesn't do is give the state new tools or regulations aimed at stopping Bernie Madoff type schemes before they happen. Banking Commissioner Howard Pitkin said the Madoff case is proof something needs to be done.

"I think it's a call to order for everyone to get together, federal and state level, and invest in good resources to keep up with the technology. It's not easy," said Pitkin.

The Banking Commissioner, Attorney General and Chief State's Attorney are working on that restitution fund right now. The rest of the new law goes into affect in October.