

Congress of the United States
Washington, DC 20510

March 16, 2011

The Honorable Mary L. Schapiro
Chairman
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-0001

Dear Chairman Schapiro,

It has been more than two years since thousands of Americans lost their savings in the Stanford Ponzi scheme. For many of the victims, these losses reflect most, if not all, of their retirement funds that were accumulated over many years of hard work. These Americans relied on the Securities Exchange Commission (SEC) to uphold its federal mandate to protect investors and the SEC failed in this regard.

For twelve years, the SEC failed to seriously investigate the Stanford Ponzi scheme, which grew from approximately \$500 million in investments in 1997 to \$7.2 billion in 2009. In 2010, SEC Inspector General David Kotz revealed the SEC was aware as early as 1997 that Stanford investors' funds were in jeopardy of being stolen. It was not until 2004—seven years after the SEC first became aware of problems at Stanford—that an official investigation was opened. By the time the SEC took action in this case, it was too late for the Stanford victims. Stanford investors lost virtually everything.

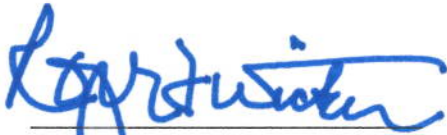
While we understand there are numerous complexities involved in the Stanford case, the bottom line is that investors' funds are missing and the SEC failed to act in a timely manner to put an end to Allen Stanford's fraud. In addition, we understand that many Stanford investors were customers of Stanford Group Company (SGC), a broker-dealer that was a member of Securities Investor Protection Corporation (SIPC). We are also keenly aware of ongoing SEC efforts to determine whether Stanford Victims qualify for coverage under the Securities Investors Protection Act ("SIPC coverage"). As you continue to review and reconstruct the fraud of the Stanford Ponzi scheme, we urge you to prioritize the determination of whether Stanford Victims qualify for SIPC coverage.

We are aware of several issues the SEC staff has raised with respect to whether Stanford Victims qualify for SIPC coverage. It is our understanding that SEC counsel has informally stated that SGC customers are not eligible for SIPC coverage at this time because (1) SGC was merely an introducing broker-dealer, and (2) SIPC is not meant to compensate customers of worthless securities. Before making a formal decision, we request the SEC consider the facts set

forth in the Declaration of Karyl Van Tassel (attached hereto as "Exhibit A"), which illustrates how the funds for SGC were generally routed to continue Stanford's fraudulent business practices, rather than purchasing securities.

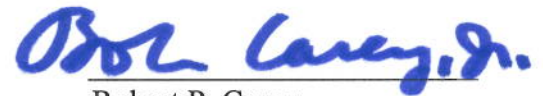
We are concerned that the SEC's ongoing review of Stanford Victims' eligibility for SIPC coverage reflects a lack of urgency. We trust you will expedite your review of this issue and keep us informed of your findings.


Sincerely yours,



Roger F. Wicker
U.S. Senator



Mary L. Landrieu
U.S. Senator



Thad Cochran
U.S. Senator



Robert P. Casey
U.S. Senator



Richard Burr
U.S. Senator



Mark Pryor
U.S. Senator



Bob Corker
U.S. Senator

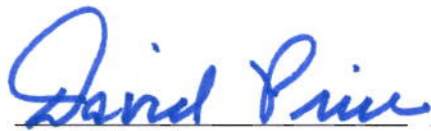

John Culberson
U.S. Representative


Lamar S. Smith
U.S. Representative

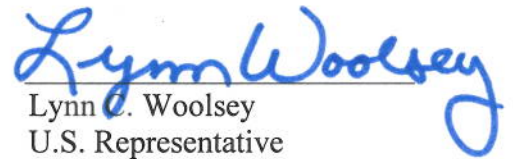

John J. Duncan Jr.
U.S. Representative


Illeana Ros-Lehtin
U.S. Representative


Ron Paul
U.S. Representative



David E. Price
U.S. Representative



Lynn C. Woolsey
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Bennie G. Thompson
U.S. Representative



Lloyd Doggett
U.S. Representative



Sue Myrick
U.S. Representative



Kevin Brady
U.S. Representative



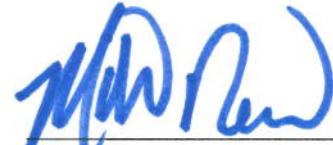
Kay Granger
U.S. Representative



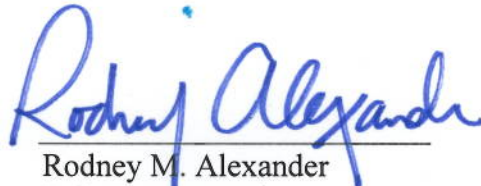
Pete Sessions
U.S. Representative



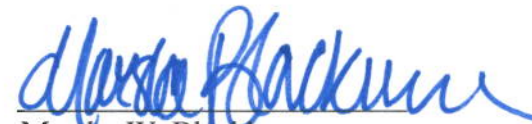
Shelley Berkley
U.S. Representative



Mike Ross
U.S. Representative



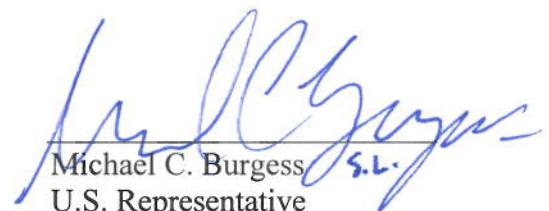
Rodney M. Alexander
U.S. Representative



Marsha W. Blackburn
U.S. Representative



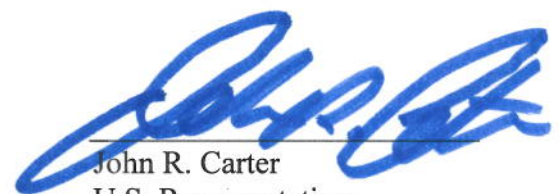
Jo Bonner
U.S. Representative



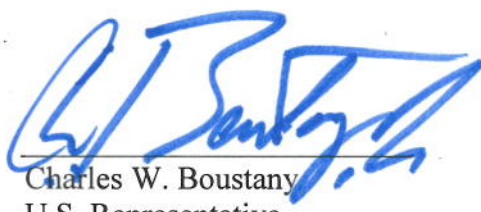
Michael C. Burgess
U.S. Representative

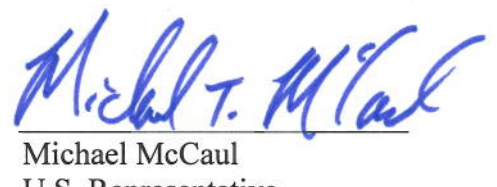



Brad Miller
U.S. Representative

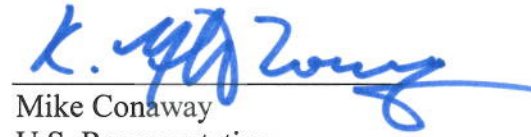


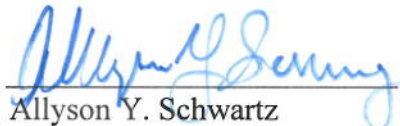
John R. Carter
U.S. Representatives



Charles W. Boustany
U.S. Representative



Michael McCaul
U.S. Representative



Kenny Marchant
U.S. Representative



Mike Conaway
U.S. Representative


Allyson Y. Schwartz
U.S. Representative



Vern Buchanan
U.S. Representative


Kathy Castor
U.S. Representative



Steve Scalise
U.S. Representative

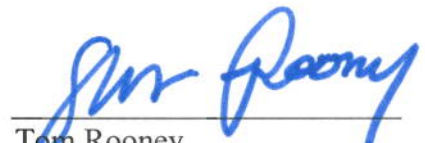

Bill Cassidy
U.S. Representative


John Fleming
U.S. Representative



Gregg Harper
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Blaine Luetkemeyer
U.S. Representative


Pete G. Olson
U.S. Representative


Tom Rooney
U.S. Representative


Ted Deutch
U.S. Representative

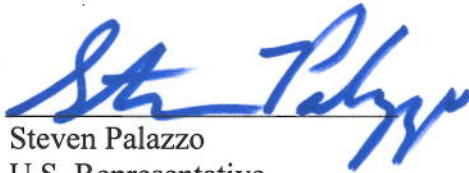

Quico Canseco
U.S. Representative



Bill Flores
U.S Representative



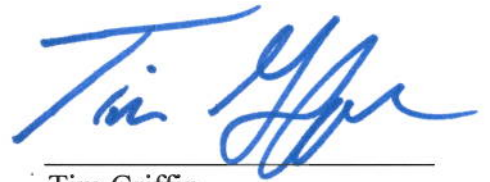
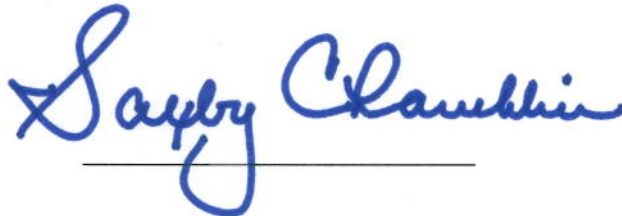
Jeff Landry
U.S. Representative




Steven Palazzo
U.S. Representative



Allen B. West
U.S. Representative



Tim Griffin
U.S Representative



Alan Nunnelee
U.S. Representative



Cedric Richmond
U.S. Representative



U.S. Senator
