

Washington, DC - The SEC Inspector General has completed a six-month investigation into allegations of conflict of interest against SEC's former general counsel, David Becker, concerning his role in the Commission's work relating to the victims of the Bernie Madoff Ponzi scheme. The IG's final report was issued publicly today. Ranking Member Elijah E. Cummings issued the following statement:

"In its report, the IG's office found sufficient evidence of Mr. Becker's conflict of interest to call into question the integrity of the process used by the Commission to decide how to value fictitious profits made under the Madoff scheme. The IG also found that procedures at the SEC ethics office broke down and failed to prevent a conflict of interest from potentially tainting the agency's work.

"I believe the victims of the Madoff scheme deserve to know that the SEC's decision in this case was not tainted by conflicts of interest. The IG recommended that the Commission take a second look and conduct a revote of its decision. I strongly urge the Commission to take these appropriate steps in order to give Madoff's victims that peace of mind.

"I hope that the Commission will adopt the IG's other recommendations as well. I am encouraged that Chairman Schapiro asked SEC Inspector General H. David Kotz to open this investigation, which was a good faith effort on her part to get to the bottom of this issue. I am also encouraged that Chairman Schapiro decided last year to revamp the office of ethics, to hire new ethics counsel for the agency, and to provide greater resources to that office."

###