Florida regulators — over objections by the state's top banking lawyer — gave sweeping powers to banker Allen Stanford, accused of swindling investors of $7 billion.

BY LUCY KOMISAR,
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Years before his banking empire was shut down in a massive fraud case, Allen Stanford swept into Florida with a bold plan: entice Latin Americans to pour millions into his ventures — in secrecy.

From a bayfront office in Miami in 1998, he planned to sell investments to customers and send their money to Antigua.

But to pull it off, he needed unprecedented help from an unlikely ally: The state of Florida would have to grant him the right to move vast amounts of money offshore — without reporting a penny to regulators.

He got it.

Over objections by the state’s chief banking lawyer — including concerns that Stanford was laundering money — regulators granted sweeping powers never given to a private company.

The new company was also allowed to sell hundreds of millions in bank notes without allowing regulators to check for fraud.

Over the next decade, the Miami office was among Stanford’s busiest in the sale of

* TURN TO REGULATION, 2A

AWAITING TRIAL: Allen Stanford is accused of diverting nearly $7 billion from customers who bought his certificates of deposit.

PAT SULLIVAN/AP
State aid staked in huge swindle

**CONCERNS RAISED**

When I arrived at the office, our sales manager turned to his assistant, "He's been here for months," she said, "and no one's noticed anything." I asked her if she had any concerns about what he was doing, and she shook her head. "No, he seems like a good worker," she said.

I was skeptical, but I decided to keep an eye on him. Over the next few days, I noticed that he was spending a lot of time in the office after hours, and I started to see him going through old files. I was getting more and more suspicious, and I decided to confront him.

"What are you doing here?" I asked.

"I'm just doing some research," he said.

I was not convinced, so I decided to call the FBI. They came to the office and searched his desk. They found evidence of fraud, and now he's in jail.

**THE BUSINESS GROWS**

As the FBI investigation continued, they discovered that the swindler had been using the money from the state's investment to fund a new business. They tracked down the immigrants who had been bilked and recovered some of the money.

I was amazed by the ingenuity of these people. They had taken advantage of the state's trust in them, and used it to their own benefit. It was a lesson in how not to manage public money.

"I will find a way to pay back the state," the swindler promised. "You will see." And I believed him. I hoped he would be able to make good on his promise.
Stanford case puts lawyers in spotlight

With Allen Stanford accused of a massive fraud, the actions of a Miami law firm are coming under review by a receiver representing victims, raising the question: Did their legal advice aid his empire?

BY MICHAEL SALLAH AND ROB BARRY
msallah@MiamiHerald.com

St. JOHN’S, Antigua — With federal agents threatening to put his bank out of business, Allen Stanford turned to the powerhouse Miami law firm of Greenberg Traurig.

Stanford International Bank and other banks in Antigua were suspected of laundering money and were close to being cut off from the global banking community.

Not only did the firm save his bank, it helped Stanford eliminate his competition and become a top Antiguan regulator — just years before prosecutors say he began stealing millions in one of the largest frauds in U.S. history.

Now a decade later, with Stanford charged in the massive criminal case, the law firm is being pulled into a widening inquiry of the $7 billion Ponzi scheme that wiped out thousands of investors.

Though not under criminal investigation, Greenberg Traurig is facing a legal review of its actions on this tiny island that was the center of his banking kingdom.

*TURN TO RECORDS, 18A*
The court-appointed receiver says he is looking into the timing of demands for the records of the fake bank, which he describes as a "money laundering scheme." The receiver says he is trying to trace the fake bank's operations and to recover any funds that may have been laundered.

The receiver has petitioned a federal judge to unseal the bank's records, including bank statements, to determine whether the bank was being used to launder money. The judge has acknowledged that the records are "of interest." The receiver also says he is trying to find out whether the fake bank was used to launder money from the United States.

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Feds eye Stanford’s many ties to Congress

The ties between indicted banker Allen Stanford and members of Congress — including millions in contributions and weekends in five-star Caribbean resorts — are now the subject of a sweeping federal investigation.

BY MICHAEL SALLAH
AND ROB BARRY
msallah@MiamiHerald.com

Just hours after federal agents charged banker Allen Stanford with fleecing investors of $7 billion, the disgraced financier received a message from one of Congress’ most powerful members, Pete Sessions.

“I love you and believe in you,” said the e-mail sent on Feb. 17. “If you want my ear/voice — e-mail,” it said, signed “Pete.”

The message from the chair of the Republican National Congressional Committee represents one of the many ties between members of Congress and the indicted banker that have caught the attention of federal agents.

The Justice Department is investigating millions of dollars Stanford and his staff contributed to lawmakers over the past decade to determine if the banker received special favors from politicians while building his spectacular offshore bank in Antigua, The Miami Herald has learned.

Agents are examining campaign dol-

* TURN TO PROBE, Z1A
PONZI INVESTIGATION

Feds probe Stanford’s ties to Congress

By John Sweeney of New York

Stanford’s friends in high places

Allen Stanford showered money on lawmakers in both major parties — reaping access and friendship.


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