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Antiguan Man Involved in the Stanford \$7 Billion Ponzi Scheme Gets 10 Years; Stanford Planned Global Complex on St. Croix Before Company Dissolved

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R. Allen Stanford is serving a 110-year prison sentence for a \$7 billion Ponzi scheme.
By. RICHARD CARSON/REUTERS VIA WSJ

The former chief of Antigua's Financial Services Regulatory Commission (FSRC) was sentenced today to 10 years in prison for his role in connection with a \$7 billion Ponzi scheme involving the Stanford International Bank (SIB).

Leroy King, 74, of Dickerson Bay, Antigua, pleaded guilty on Jan. 30, 2020, to one count of conspiracy to obstruct justice and one count of obstruction of justice for his role in obstructing the Securities and Exchange Commission (SEC) investigation into SIB. He was extradited to the

United States in November 2019. King is a dual citizen of the United States and Antigua. Beginning in approximately 2002, he served as the administrator and CEO of the FSRC, an agency of the Antiguan government. As part of his duties, he was responsible for Antigua's regulatory oversight of Stanford International Bank Limited's (SIBL) investment portfolio, including the review of SIBL financial reports and responses to requests by foreign regulators, including the SEC, for information and documents about SIBL's operations.

In or about 2005, the SEC began investigating R. Allen Stanford and Stanford Financial Group (SFG) and made official inquiries with the FSRC regarding the value and content of SIBL's purported investments.

The Stanford Financial Group in 2008 announced it would open a new global management complex on St. Croix, which would include the base for the corporate support functions such as business technology, compliance, finance, human resources, investment strategy and legal, as well as the chairman's office. Completion was planned for July 2009 but did not occur due to the company's dissolution.



Leroy King (Credit: ABS TV/RADIO)

According to the U.S. Dept. of Justice, King admitted that Stanford's cash payments to him totaled approximately \$520,963.87 over the course of the conspiracy. Stanford also provided King tickets to both Super Bowl XXXVIII in Houston (2004) and Super Bowl XL in Detroit (2006). In addition, Stanford provided King with repeated flights on private jets Stanford or SFG entities owned. King later denied the SEC's request for help, and he wrote that the FSRC "had no authority to act in the manner requested and would itself be in breach of law if it were to accede to

your request.” In reality, the FSRC did have this authority and failed to exercise it because of the payments and other benefits Stanford gave to King.

A federal jury found Stanford guilty in June 2012 for his role in orchestrating a 20-year investment fraud scheme in which he misappropriated \$7 billion from SIB to finance his personal businesses. He is serving a 110-year prison sentence. Five others were also convicted for their roles in the scheme and received sentences ranging from 3 to 20 years in federal prison.

Mr. Stanford has petitioned several courts to free him and has published a book saying prosecutors made him a scapegoat.

Acting Assistant Attorney General Nicholas L. McQuaid of the Justice Department’s Criminal Division and U.S. Attorney Ryan K. Patrick of the Southern District of Texas made the announcement.

The Houston Field Offices of the FBI, IRS-CI, and U.S. Postal Inspection Service investigated the case.

Trial Attorney Brittain Shaw of the Criminal Division’s Fraud Section and Assistant U.S. Attorney John Pearson of the Southern District of Texas prosecuted the case.

The Justice Department extends its gratitude to the government of Antigua for its cooperation and assistance.