

# United States Senate

WASHINGTON, DC 20510

February 15, 2019

Mr. Slawomir Krupa  
Chief Executive Officer  
Societe Generale North America  
245 Park Avenue  
New York, NY 10167

Dear Mr. Krupa,

It has been nearly 10 years since the collapse of Stanford International Bank (SIB) and Allen Stanford's arrest for running the second largest Ponzi scheme in United States history. But nearly a decade later, more than 21,000 of Stanford's victims have yet to be repaid in any meaningful way. Currently, Société Générale (SocGen) and specifically its subsidiary SG Private Banking (Suisse) SA reportedly holds \$210 million in frozen assets<sup>1</sup> as a result of the Stanford Ponzi scheme. We strongly urge you to return these funds to their rightful owners without further delay. Regulatory intervention should not be necessary for Stanford's victims to receive the justice they deserve.

SocGen aided and abetted Stanford's banking outside the United States, and SocGen has continued to hold his victims' money hostage. As you know, the U.S. Department of Justice intervened on behalf of the victims in negotiating the payment of these funds, but SocGen is arguing that it is indemnified<sup>2</sup> by Stanford for their role and therefore can use the \$210 million it holds in Switzerland to offset any legal judgments.

Let us be very clear: this is not your money. It belongs to American citizens, who have been victimized by SIB with your complicity. Refusing to return their money has prolonged their suffering, and it is unacceptable. It has been over five years since the U.S. Department of Justice brokered a Settlement Agreement and Cross Border Protocol to allow for the expedited distribution of these funds, yet the victims still have not received their money.

From the beginning of the relationship, Stanford's propensity for criminal activity was no surprise to SocGen. Indeed, SocGen hired a private investigation firm prior to going into business with Allen Stanford. The firm's report concluded that "Stanford International Bank has had a somewhat dubious reputation for many years,"<sup>3</sup> had been used to launder considerable volumes of criminally obtained funds, and SocGen should be concerned that "it would be very difficult for [SocGen] to defend itself or its reputation should any problems arise in the future."<sup>4</sup> However, SocGen made the decision to go into business with SIB anyway, which predictably resulted in the very activities described in the investigator's report.

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<sup>1</sup> Lane, Sylvan. "Lawmakers Press DOJ to Help Victims of Ponzi Scheme." TheHill. August 14, 2017. Accessed February 13, 2019. <https://thehill.com/policy/finance/346508-lawmakers-ask-sessions-to-probe-blocked-restitution-payments-from-swiss-bank>.

<sup>2</sup> Doherty, Nicolette M. In The Matter of Stanford International Bank Limited (In Liquidation) and In the Matter of the International Business Corporations Act, Cap 222 of the Laws of Antigua and Barbuda. Report no. ANUHCV 2009/0149. The Eastern Caribbean Supreme Court in the High Court of Justice Antigua and Barbuda. Eighth Report ed. Joint Liquidators of Stanford International Bank (In Liquidation).

<sup>3</sup> Stanford International Bank Limited (in Liquidation) v. TD Bank, Canada, Province of Quebec, District of Montreal, No. 500-17-067367-113, Page 4 (February 17, 2012).

<sup>4</sup> Ibid.

In light of the recent \$1.34 billion settlement and deferred prosecution agreement SocGen entered into with U.S. authorities related to sanctions violations<sup>5</sup> and the June 2018, \$1.3 billion settlement with U.S. authorities related to bribery and Libor manipulation,<sup>6</sup> we believe it is time for SocGen to address the fallout from its other dubious business practices and return these funds to their rightful owners.

**Please begin the process of releasing these funds immediately. Within 21 days, please present to us your plan to quickly return all of these assets to our constituents and the other victims of Allen Stanford's fraud.** While countless banks avoided doing business with SIB, SocGen chose to facilitate a massive Ponzi scheme and should not expect to be exonerated by the arrest of its orchestrator.

Sincerely,



Bill Cassidy, M.D.  
United States Senator



John Kennedy  
United States Senator

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<sup>5</sup>Farrell, Greg, and Fabio B. Valentini. "SocGen to Pay \$1.3 Billion to Settle US Sanctions Case." Bloomberg.com. November 20, 2018. Accessed February 13, 2019. <https://www.bloomberg.com/news/articles/2018-11-19/socgen-settles-u-s-sanctions-cases-agrees-to-pay-1-3-billion>.

<sup>6</sup>Freifeld, Karen. "SocGen to Pay \$1.3 Billion to Settle Libya, Libor Probes." Reuters. June 04, 2018. Accessed February 13, 2019. <https://www.reuters.com/article/us-socgen-lawsuit/socgen-to-pay-1-3-billion-to-settle-libya-libor-probes-idUSKCN1J00KU>.