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## Politicians yet to return big money from Stanford's Ponzi scam

*Charity does no good for victims*

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By [Jim McElhatton](#) - The Washington Times

Wednesday, February 19, 2014

Five years after R. Allen Stanford's investment companies collapsed in an infamous multibillion-dollar Ponzi scheme, records show that the receiver charged with recouping money for victims still is chasing a long list of politicians.

Stanford was a generous and bipartisan donor to political campaigns. After his conviction, Ralph Janvey was appointed by the court as receiver and given the task of tracking down and recovering Stanford's fraudulent expenditures so the money could be returned to the Ponzi scheme victims.

Some of the big donors have returned money, even if they had to be sued: The Democratic Senatorial Campaign Committee has returned \$950,000, and the National Republican Congressional Committee gave back nearly \$250,000.

But a number of other campaigns have not. By Mr. Janvey's calculation, nearly \$120,000 in tainted donations should go to creditors.

The Obama campaign has not returned \$4,600, and Rep. Pete Sessions, Texas Republican, and the New Jersey Democratic State Committee each owes \$10,000, according to the receiver's most recent list.

A spokeswoman for Mr. Sessions said he has already gotten rid of money from Stanford, who is serving a 110-year prison sentence on fraud charges.

"Congressman Sessions donated to charity the dollar amount of all contributions from individuals charged in the case," Sessions spokeswoman Torrie Miller wrote in an email.

Federal Election Commission rules allow politicians to disgorge unwanted or illegal donations by donating to charity, but that won't get Mr. Sessions or any other lawmaker off of Mr. Janvey's list.

Scott Powers, an attorney for Mr. Janey, said contributions to charity that are equal to the amount of campaign donations from Stanford don't make any difference.

"The money at issue did not rightfully belong to Mr. Stanford," he said.

"It was not rightfully transferred to the political committees. And so the political committees are not entitled to decide that the money should be given to charity rather than given to the receiver for distribution to the victims from whom the money was taken in the first place."

The DSCC and the NRCC, which have returned their money, did so only after losing arguments in court. In perhaps a rare example of Capitol Hill bipartisanship, the fundraising committees said Mr. Janvey's demand wasn't timely.

But the 5th U.S. Circuit Court of Appeals ruled in Mr. Janvey's favor in October 2012.

The problem for Mr. Janvey now is that the donations that still haven't been collected aren't worth the expense of filing lawsuits. Most of the outstanding contributions are for a few thousand dollars each.

Other top recipients on the receiver's list include Sen. John Cornyn, Texas Republican, who received \$6,000 from Stanford, and congressional Delegate Donna M. Christensen, a Democrat who represents the Virgin Islands and accepted \$5,000 from him.

Also listed are Senate Minority Leader Mitch McConnell, Kentucky Republican, at \$2,500, and former Rep. Rahm Emanuel, Illinois Democratic and current Chicago mayor, for \$3,000.

Cornyn spokeswoman Megan Mitchell said the senator gave the money he received from Stanford to the Big Brothers Big Sisters of America and sent letters to federal agencies to ensure money caught up in the Stanford scheme was returned to investors.

Ms. Mitchell also said Mr. Cornyn co-sponsored a resolution calling on the Treasury secretary to "use the voice and the vote" of the U.S. to oppose World Bank or International Monetary Assistance to Antigua until its government cooperates with U.S. efforts to compensate Stanford victims.

Stanford's fraud centered at his offshore bank in Antigua.

Still, Mr. Powers said, charitable contributions don't do Stanford victims much good.

"For economic reasons, the receiver is not in a position to pursue litigation with every politician who received contributions from Stanford," Mr. Powers said. "The receiver nevertheless calls on the remaining holdouts to do the right thing and to return the contributions for the benefit of the victims of the Stanford fraud."

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