

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
- - - - - X

UNITED STATES OF AMERICA :
 : INFORMATION
-v- :
 : 09 Cr.
FRANK DIPASCALI, JR., :
 :
Defendant. :
- - - - - X

COUNT ONE

(Conspiracy to Commit Securities Fraud, Investment Adviser Fraud, Falsify Books and Records of a Broker-Dealer, Falsify Books and Records of an Investment Adviser, Mail Fraud, Wire Fraud, and International Money Laundering)

The United States Attorney charges:

Relevant Persons and Entities

1. At all times relevant to this Information, Bernard L. Madoff Investment Securities LLC, and its predecessor, Bernard L. Madoff Investment Securities (collectively and separately, "BLMIS"), had its principal place of business in New York, New York, most recently at 885 Third Avenue, New York, New York. BLMIS was a broker-dealer that engaged in three principal types of business: market making; proprietary trading; and investment advisory services ("IA"). BLMIS was registered with the United States Securities and Exchange Commission ("SEC") as a broker-dealer and also, on or about August 25, 2006, registered with the SEC as an investment adviser.
2. At all times relevant to this Information, Madoff Securities International Ltd. ("MSIL") was a corporation

incorporated in the United Kingdom. MSIL was an affiliate of BLMIS that engaged principally in proprietary trading.

3. Bernard L. Madoff ("Madoff") was the founder of BLMIS, and served as its sole member and principal. In that capacity, Madoff controlled the business activities of BLMIS. Madoff owned the majority of the voting shares of MSIL, and served as the Chairman of MSIL's Board of Directors. Madoff also served on the Board of Directors of the National Association of Securities Dealers Automated Quotations ("NASDAQ"), and for a period served as the non-executive Chairman of NASDAQ. On March 12, 2009, in connection with the execution of a massive Ponzi scheme through BLMIS, Madoff pleaded guilty to securities fraud, investment adviser fraud, mail fraud, wire fraud, two counts of international money laundering, money laundering, false statements, perjury, false filings with the SEC, and theft from an employee benefit plan.

4. FRANK DIPASCALI, JR., the defendant, was employed at BLMIS between on or about September 11, 1975 and on or about December 11, 2008, the day that Madoff was arrested. During his employment at BLMIS, DIPASCALI had a variety of duties and responsibilities. By the early 1990s, DIPASCALI was one of the BLMIS employees responsible for managing the vast majority of BLMIS's IA accounts into which thousands of BLMIS clients invested, and eventually lost, billions of dollars. Madoff,

DIPASCALI, and other co-conspirators were responsible for, among other things: receiving funds sent to BLMIS by clients of the investment advisory business (the "IA Clients") for investment; causing the transfer of IA Clients' funds between and among various BLMIS bank accounts; handling requests for redemptions sent to BLMIS by IA Clients; answering IA Clients' questions about their purported investments; and developing the BLMIS computer and other systems that were used to give the false appearance to clients, regulators and others, that client funds were being invested as promised when, in fact, they were not.

The Scheme To Defraud

5. From at least as early as the 1980s through on or about December 11, 2008, Madoff, FRANK DIPASCALI, JR., the defendant, and other co-conspirators perpetrated a scheme to defraud the IA Clients by accepting billions of dollars of IA Clients' funds under false pretenses, failing to invest the IA Clients' funds as promised, creating and disseminating false and fraudulent documents to IA Clients purporting to show that their funds had been invested, and lying to the SEC and an accounting firm to conceal the fraudulent scheme.

6. To execute the scheme, Madoff solicited, and caused others to solicit, prospective clients to open trading accounts with BLMIS, based upon, among other things, a promise to use investor funds to purchase shares of common stock, options,

Pages 4 through 47 redacted for the following reasons:

Law Enforcement