

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:)
) File No. OIG-509
OIG-509)

WITNESS: Number 18
PAGES: 1 through 68
PLACE: McCarter & English
 265 Franklin Street
 Boston, MA 02110
DATE: Tuesday, March 31, 2009

 The above-entitled matter came on for hearing, pursuant
to notice, at 5:10 p.m.

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1 APPEARANCES:

2

3 On behalf of the Securities and Exchange Commission:

4 DAVID B. WITHERSPOON

5 JAMES D. FIELDER

6 Securities and Exchange Commission

7 Office of Inspector General

8 100 F Street, N.E.

9 Washington, D.C. 20549

10 (202) 552-4445

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12 On behalf of the Witness:

13 GRANT D. WARD, PRO SE

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1 PROCEEDINGS

2 MR. WITHERSPOON: We are on the record at 5:10 p.m.
3 on Tuesday, March 31, 2009, at the law firm of McCarter &
4 English, 265 Franklin Street, Boston, Massachusetts.

5 We are now at this time going to swear you in. So if
6 you would please raise your right hand.

7 Whereupon,

8 GRANT D. WARD

9 was called as a witness and, having been first duly sworn,
10 was examined and testified as follows:

11 EXAMINATION

12 BY MR. WITHERSPOON:

13 Q Please state and spell your full name for the
14 record.

15 A Grant, G-r-a-n-t; David, D-a-v-i-d; Ward, W-a-r-d.

16 Q Thank you, Mr. Ward. How are you this afternoon?

17 A Good. It's a great day.

18 Q Good. Mr. Ward, my name is David Witherspoon and
19 I'm an attorney in the Office of Inspector General, United
20 States Securities and Exchange Commission. With me today is
21 David Fielder, assistant inspector general.

22 This is an investigation by the Office of Inspector
23 General, Case Number OIG-509, regarding Madoff Securities and
24 Bernard L. Madoff. I'm going to ask you certain questions and
25 you're going to provide answers under oath.

1 was your first occupation? Actually, why don't we speed up a
2 bit. Why don't we say after law school.

3 A After law school I went to a law firm in
4 Washington, DC, Lohnes & Albertson, L-o-h-n-e-s. That was
5 for two years until 1990, and then went to the Securities and
6 Exchange Commission in Washington. Stayed at the SEC until
7 June -- July of 2000.

8 Q So about ten years in the home office of the SEC?

9 A No. Five years in the home office.

10 Q I see.

11 A 1996 I came to the Boston office.

12 Q All right. So just to be clear, 1990 to 1996 you
13 were in the home office?

14 A Right.

15 Q And from '96 to 2000, June or July of 2000, Boston
16 office?

17 A July.

18 Q July of 2000?

19 A Early July.

20 BY MR. FIELDER:

21 Q What was your position when you left DC and came to
22 Boston?

23 A I was a branch chief in what was then called the
24 branch of regional office assistants, which is now called the
25 office of chief counsel now run by Joan McKown, who's still

1 there.

2 Q Was Joan head of the office when you --

3 A Joan was head of -- I'm sorry, I didn't let you
4 finish.

5 Q No. That's okay.

6 A Joan McKown was the chief counsel when I was --
7 when I left that department.

8 Q Okay. And when you moved to Boston, what position
9 did you have at the SEC?

10 A Assistant district administrator. At that time
11 there was only one district administrator.

12 Q Explain to us a little bit about the organization
13 of the Boston office at that time and where you were in the
14 org. chart.

15 A In 1996 when I arrived there, there was a district
16 administrator Juan Marcelino. There was the enforcement side
17 of the house and then there was the examination side of the
18 house. On the enforcement side, I was at the top of that
19 chain. I reported directly into Juan Marcelino and had
20 several branch chiefs under me, but that expanded quickly
21 after I got there. There were two, I believe, when I got
22 there. Then we -- shortly thereafter we moved to four. I
23 think the total number of staff was about 25 including
24 accountants and administrative.

25 BY MR. WITHERSPOON:

1 Q And so you were directly under Juan when you
2 arrived in '96; is that correct?

3 A Right. I stayed under Juan -- when I arrived in
4 '96, yes.

5 BY MR. FIELDER:

6 Q And so you were head of the enforcement program in
7 the Boston office from the time you joined the Boston office;
8 is that correct?

9 A Yes. I was hired to be the head of the enforcement
10 office, the enforcement side of the house, yeah.

11 Q I mean, what were your responsibilities as a branch
12 chief in DC? Did you run investigations in DC?

13 A Not in the branch of Regional Office Assistance. We
14 helped shepherd cases through the commission process and the
15 approval process for the regional offices.

16 Q Okay.

17 A We were their representative. I commissioned
18 meetings. We were the face-to-face representatives on their
19 behalf before commissioners and other divisions.

20 Q Did you -- is that the group that you joined when
21 you joined the commission?

22 A No. I joined as a staff attorney in conducting
23 regular enforcement investigations.

24 Q How long had you been at the SEC before you moved
25 to BROA?

1 A I was in regular enforcement for three years, 1990
2 to 1993; went to BROA as a staff attorney for one year, then
3 I got a promotion to branch chief; and then one year after
4 becoming a branch chief, I became the assistant district
5 administrator in Boston.

6 Q Got you. When you were a staff -- before moving to
7 BROA when you were a staff attorney in enforcement in DC, who
8 was your branch chief?

9 A Personal Privacy

10 Q And who was the assistant director?

11 A Personal Privacy

12 Q Was that true during your three years as a staff
13 attorney?

14 A I don't recall if Personal Privacy moved on or if Harry moved
15 up. I mean, Personal Privacy moved on but I can't remember when.

16 Q Okay.

17 MR. FIELDER: Sorry. Go ahead, Dave.

18 MR. WITHERSPOON: Oh, that's okay.

19 BY MR. WITHERSPOON:

20 Q All right. So I guess just trying to get a picture
21 of the organizational structure in Boston. You were the -- I
22 guess the top enforcement person directly under Juan --

23 A Yep.

24 Q -- in '96? And who was on the examination side in
25 your position or was there such a person?

1 A There were two people because there was the
2 broker-dealer and the investment advisor side. Actually, Ed
3 Ryan actually had both, but there were two assistant district
4 administrators. There was Ed Ryan and there's

Personal Privacy

Personal Privacy

5
6 Q Okay. So was Ed on the broker-dealer side and
7

Personal Privacy

on the investment advisor?

8 A

Personal Privacy

had the investment advisor, but Ed had

9 both broker-dealer, which was very small compared to the
10 advisor, and Ed also had some -- he had some advisor and

11 broker-dealer and

Personal Privacy

had the advisor. So they split

12 the advisor side.

13 Q I see. Because that's a larger group?

14 A That was actually my understanding. So I don't
15 know for sure.

16 BY MR. FIELDER:

17 Q See, my perception of the Boston office has always
18 been that it's the one regional office that's more
19 concentrated to the investment advisor --

20 A Yes.

21 Q -- the mutual fund industry in Boston; is that what
22 it was?

23 A That was my understanding, yes.

24 BY MR. WITHERSPOON:

25 Q So I guess contending with your position as the --

1 let me make sure I say it right -- assistant director of
2 enforcement?

3 A Assistant district administrator.

4 Q Thank you. Assistant district administrator. I'll
5 get it right. Your major responsibilities and duties as you
6 understood them?

7 A I was responsible for the cases within that --
8 within that department as well as development of staff,
9 identifying proper cases, finding out the status of
10 investigations, determining if a case should be closed
11 because -- for various reasons as well as interacting with
12 the examination staff to make a determination if a case
13 should be referred over to enforcement. And doing whatever
14 else -- whatever else Juan wanted me to do.

15 Q I see.

16 A Giving speeches, etc.

17 BY MR. FIELDER:

18 Q I'm sorry, I apologize, I'm a little confused and
19 maybe I was just spacing out for a minute there. Part of
20 your job you described as -- I thought you said making
21 decisions of whether to enforce -- to refer something to
22 enforcement; is that correct?

23 A No. Whether -- I'd work with the examination staff
24 to make a determination if cases should be referred to
25 enforcement.

1 Q So if they had -- if the exam staff was questioning
2 or thought there was a potential, before it was actually,
3 quote/unquote, officially referred to enforcement, you as the
4 head of the enforcement would meet with them and make a
5 determination of whether or not they were to make a referral?
6 My confusion just stems with the fact that you were on the
7 enforcement side already --

8 A Right.

9 Q -- so describe that process of meeting with the
10 examiners to make an enforcement referral.

11 A Sure. My memory is that an examination can result
12 in one of three things: Either no action, which was rare;
13 findings that would result only in a deficiency letter; or a
14 possible enforcement referral for some or all of the
15 examination. That -- that recommendation would then first be
16 sent to Juan. Juan would sometimes, and not in every single
17 instance, sometimes he would check with me if he thought that
18 it was -- if we thought that there was sufficient evidence,
19 violations, etc., to -- if we wanted -- if an enforcement
20 matter should be pursued or if there were other parts that we
21 would need to go back.

22 BY MR. WITHERSPOON:

23 Q So then if I understand the structure correctly,
24 then Juan was, I guess, over everyone?

25 A Correct.

1 Q And it was between yourself on the enforcement side
2 and two other individuals whose names I don't quite recall on
3 the examination side?

4 A As of 1996, yes.

5 Q As of 1996, okay. At some point that structure
6 changed?

7 A That structure changed two different ways.

8 Q All right.

9 A I don't remember the order in which it happened. We
10 were experiencing growth on the enforcement side. At some
11 point we brought in another assistant district administrator,
12 a second assistant district administrator. That first one
13 was [Personal Privacy], I think it's
14 [Personal Privacy]. But I don't recall if [Personal Privacy]
15 or if Jim Adelman, A-d-e-l-m-a-n, came in as the associate
16 district administrator. Jim was my predecessor. He left to
17 go work for a private practice and then he came back. He came
18 back as the associate and I reported to Jim, but I can't -- I
19 just don't recall if [Personal Privacy] was promoted first or if Jim
20 came and then [Personal Privacy] was promoted. I don't remember which
21 sequence.

22 Q All right.

23 A That started around, like, '98, '99, probably '99.

24 Q So what position did Jim Adelman hold when he was
25 here prior --

1 A Assistant district administrator.

2 Q So he had --

3 A My title.

4 Q -- your title?

5 A He was my direct predecessor.

6 Q I understand. Okay.

7 BY MR. FIELDER:

8 Q But then when he came back, you're saying it was
9 expanded, so there was an associate --

10 A He was the associate regional -- he had
11 responsibilities for enforcement as well as examinations.

12 Q Okay. So he was directly under Juan?

13 A He was directly under Juan.

14 Q Was he kind of like a deputy position for --

15 A It was -- yes.

16 Q You were still the head of -- you were still the
17 head of the enforcement program?

18 A No because there -- that's why I said I can't
19 recall because there might have been new people. There were
20 two people at one point. So I became the senior person but I
21 wasn't the sole head as I had been before.

22 Q And who was the --

23 A Personal Privacy was the other person.

24 Q Okay.

25 A And that was -- had to have been by 1999 there were

1 Q It's here in Boston?

2 A Here in Boston. I'm senior counsel.

3 Q Senior counsel, okay.

4 A In the broker-dealer unit. Just quickly, my other
5 two jobs I had were NASD and I worked as a consultant for
6 Deloitte.

7 Q So that wraps it up.

8 A I was director at NASD.

9 Q In about seven minutes I'm going to ask you if you
10 had another job.

11 A That's all of them. We won't talk about when I was
12 15, 16, and I worked at summer camp.

13 Q Fair point. Okay. All right then. Thank you for
14 that. That has been very helpful, particularly the Boston
15 office alignment. That's been very helpful and I appreciate
16 your answers. I guess moving forward, sometime during the
17 time period of May 2000, I take it that you met with Harry
18 Markopolos?

19 A I have no memory of that.

20 Q At all?

21 A None.

22 Q Do you have any memory of Harry Markopolos, period,
23 ever meeting him, ever talking to him, ever being in his
24 presence?

25 A No.

1 Q At all?

2 A At all.

3 Q You don't remember him as a person at all?

4 A When I saw his -- when I saw him taking testimony,
5 I still didn't recall. His face did not jog a memory.

6 Q You've heard his appearance on the Hill --

7 A When he provided his testimony.

8 Q To Congress --

9 A Yeah, to Congress.

10 Q -- back in February, I think it was of this year?

11 BY MR. FIELDER:

12 Q Do you recall in the time -- well, any time while
13 you were at the SEC in Boston of looking at or discussing a
14 referral about Bernie Madoff?

15 A No, no memory of that at all.

16 Q No memory of discussions with Ed Manion about that?

17 A No. No. I've been trying to wrack my brain to
18 remember and I don't. I -- I can tell you this: I know what
19 -- I know what the pattern had been and so not with respect
20 to Mr. Madoff or whatever that guy's name is --

21 BY MR. WITHERSPOON:

22 Q Mr. Markopolos?

23 A Mr. Markopolos.

24 Q Okay. Thank you.

25 A Ed Manion had a -- it's my understanding was a

1 slightly different role within the -- within the Boston
2 office. It wasn't necessarily to do examinations. He had
3 much more of a trading background and was -- his role was
4 supposed to be to identify possible, you know, trading
5 violations or things that would go on of that nature. He
6 would, from time to time, come to me with possible violative
7 conduct. He usually worked through -- he reported to Ed
8 Ryan, "he" being Ed Manion. There were times when Ed would
9 present something to me and say that someone would -- was
10 going to come in and we would discuss it, and those meetings
11 would occur from time to time. Because Ed mostly worked with
12 me for those first three years that I was the sole person, he
13 probably tended to go to me more than probably Madeleine
14 toward the end of my tenure there.

15 BY MR. FIELDER:

16 Q Now, going back just for a general practice, what
17 you can remember, in those kind of circumstances, would he
18 come directly to you or would he talk to Ed Ryan first? What
19 was your sense or --

20 A I forget if -- I think it happened both ways.

21 Q Okay.

22 A Usually I would -- my memory is that I would ask if
23 he had checked with Ed Ryan or sometimes Juan would tell me
24 that, you know, Ed Manion has something and he'd like me to
25 take a look at. So it would come from various ways. It

1 wouldn't always come only from Ed Manion.

2 Q Okay.

3 A I don't recall any coming from Ed Ryan saying: Ed's
4 got something for you. So -- so my best recollection is that
5 Ed would -- Ed Ryan would say to Ed Manion --

6 Q Go talk to --

7 A -- go talk to Grant. So it would either come from
8 Ed Manion or from Juan.

9 Q Do you recall on some occasion on some of those
10 matters meeting with Mr. Manion and someone from the outside?

11 A Yes, a general recollection but nothing specific.

12 Q Typically, would there be anyone at those meetings
13 other than you and Mr. Manion?

14 A Depending on the nature of what it was, sometimes I
15 remember -- I recall one or two that were fairly large but
16 usually it's because outside counsel was there or their
17 counsel was present for whoever was bringing in the
18 situation. But if it was just Ed and, you know, someone who
19 was lodging a complaint or making allegations, it would
20 usually just be Ed and myself.

21 Q I'll represent to you just that it's our
22 understanding that there was a meeting between Mr.
23 Markopolos, you, and Mr. Manion, and we don't believe there
24 was anyone else present. So I just -- I mean, is that --
25 sounds like that makes sense to you that that would have been

1 possible, that there could have been such a meeting without a
2 branch chief or without a staff attorney in the meeting?

3 A That would have been typical. So that would not --
4 that would have been very consistent with my memory of the
5 practice.

6 Q What was the purpose -- what was the purpose of
7 these type of meetings when you would take the time to meet
8 with someone from the outside and Mr. Manion?

9 A Generally, it's to get a flavor for the nature of
10 the allegations and the complaint and -- yeah.

11 Q Was there a screen -- I mean, was there a screening
12 process involved that you employed so that you didn't
13 necessarily have a meeting on every matter that Mr. Manion
14 brought to your attention? I mean, if he -- if you scheduled
15 a meeting, was it because there was something about the
16 matter that struck you as having merit?

17 A I wouldn't say that. I do recall if -- there might
18 have been a difference if -- I recall a difference between
19 Ed, who would bring me an article, and I'd say: Go do some
20 more digging versus someone who came in with allegations.

21 Q If someone had -- if Mr. Manion was bringing
22 allegations or referral, or whatever sort of we use to
23 describe, to your attention, was it your practice to always
24 meet with the person that was making those allegations?

25 A If Ed recommended that we should meet, I would -- I

1 would typically take the time.

2 Q Okay. Is it safe to assume that if Mr. Manion
3 recommended that you meet, it was because he felt there was
4 something to the allegations that were worth pursuing?

5 A Ed did but Ed wasn't always a lawyer. So -- I
6 mean, he wasn't -- he wasn't always -- he wasn't a lawyer and
7 so he understood his part. I understood my part. And we
8 tried to work as a team. So, you know, sometimes there's a
9 question between the conduct and whether or not it's provable
10 and a whole host of other situations, you know,
11 considerations that would go into it but I don't recall it
12 happening that often that I had meetings. But, I mean, in
13 other contexts, I certainly have had meetings, you know, with
14 counsel coming in to tell us the nature of the problem or
15 sometimes even short sellers telling us the nature of a
16 problem, and we followed up in those situations. So with
17 other formats, I mean, other formats in addition to Ed Manion
18 bringing us possible cases.

19 Q Okay.

20 BY MR. WITHERSPOON:

21 Q You may have said this so I apologize. What is Ed
22 Manion's background as you understand it, training
23 background?

24 A I don't know. I just know that he had worked in
25 the industry, and I can't remember if it was compliance or in

1 the trading area.

2 Q All right.

3 A Or if he had been an investment manager. I just
4 don't remember.

5 Q Any idea for how many years he did that sort of
6 work? More than 10, more than 29?

7 A I have no idea. It would be just a guess.

8 BY MR. FIELDER:

9 Q Can you give us just a ballpark sense -- I know
10 this is a long time ago -- but from the 1996 -- whenever you
11 moved to Boston as the assistant district administrator to
12 your departure in 2000, can you give us a ballpark idea of
13 the number of meetings that you would have had based on Mr.
14 Manion bringing the matter to your attention? I mean, was it
15 a few? Was it dozens? Was it --

16 A Meetings, it was probably a few.

17 Q Okay.

18 A I have --

19 Q Meaning less than ten or --

20 A Yeah. I have more a memory of him always clipping
21 articles and showing them. I have more of a memory of that
22 than actual ones that resulted in a meeting.

23 Q Okay. Less than five perhaps? I mean --

24 A Yeah, I just -- I'm trying to -- I'm trying as best
25 I can, especially when all of this broke, I was like how --

1 I've been thinking -- running these same kind of questions
2 through my mind and because I --

3 Q Let me ask you this: Do you recall any specific
4 meetings, not necessarily the --

5 A No.

6 Q -- one with Mr. Markopolos, but do you recall any
7 specific meetings with Mr. Manion and someone else from the
8 outside who was making allegations?

9 A No.

10 Q Okay. So you -- okay. So it's not that you
11 remember having those kind of meetings. You just believe
12 that it was possible that you did have meetings like that
13 with Mr. Manion? I'm just confused. I thought earlier in
14 your testimony you essentially indicated that you remembered
15 having these types of meetings with Mr. Manion, you just
16 didn't recall the specific one with Mr. Markopolos, but now
17 it sounds like you don't recall ever having a meeting with
18 Mr. Manion and someone from the outside making allegations?

19 A Put it this way, I know that -- well, I recall that
20 some meetings occurred. I just don't remember any of them
21 specifically or what the allegations were or the nature of
22 the meetings.

23 Q Okay.

24 A Part of that might be what happened after but, you
25 know, I'll let you ask the questions.

1 BY MR. WITHERSPOON:

2 Q That's fine. If you want to -- go ahead. Please
3 do.

4 A The rest of the practice would have been, depending
5 on, and this happens with whether it's with Ed Manion or with
6 any people coming in to either self-report or -- we would
7 have a debrief, and then if there was additional information
8 to be gathered, I would have either Ed go back and get me
9 that information, you know, or if it clearly looked like a
10 violation, then we would just, you know, just bring in --
11 then we would bring in a branch chief and get the case
12 assigned.

13 Q I see. So in other words, if there's -- if there
14 had been a meeting, are you saying that it would have been
15 likely that there would have been some sort of postmeeting
16 follow-up?

17 A There should have been some postmeeting follow-up.
18 It never would have --

19 Q Just ended with no --

20 A Even if we decided that there was nothing there,
21 there would have been a postmeeting follow-up.

22 Q Would there be a memo or anything generated to the
23 effect that we met and discussed this and doesn't look like
24 there's anything there?

25 A Not from Ed Manion.

1 lack of recollection about those topics, and I don't mean
2 anything pejorative about that at all, earlier in your
3 testimony you mentioned at some point since this all broke,
4 so to speak, you've been wracking your brain about trying to
5 recall anything, what is it that made you think or know that
6 you were going to be involved, if you will, in the
7 investigation about Markopolos's referrals since you didn't
8 recall having seen a referral or having met with him about
9 it?

10 A It was, I think, two events: One is that at the
11 time I saw a news clip of Chairman Cox before the testimony
12 indicating that credible allegations had been made to the
13 SEC, and I saw some article saying May or June of 2000. I'm
14 like, well, I was there in May or June of 2000.

15 Q Saying that -- and saying the allegations were made
16 to the Boston office?

17 A Correct. I saw some article indicating that. And
18 so I knew I was there at that time. So I said I -- I figured
19 I had to have been involved because just the nature of the
20 way it worked.

21 Q Right.

22 A And then, secondly, you know, of course that day
23 when his -- that testimony, I believe I got four or five
24 different e-mails saying your name is in this testimony. I'm
25 like what? And so --

1 Q And that was Mr. Markopolos's congressional
2 testimony?

3 A Correct.

4 Q Do you know -- I mean, who were those people that
5 were e-mailing you? Were they former SEC colleagues?

6 A The people that e-mailed me were a colleague from
7 Deloitte, a colleague from FINRA, F-I-N-R-A, all caps, and I
8 received a phone call from Juan Marcelino.

9 Q What was the nature of that phone call from Mr.
10 Marcelino?

11 A The nature of the call, he was just -- he was
12 calling to lend his support. I indicated to him at that time
13 that I don't remember it and wish I had.

14 Q Did he ask you if you remembered anything about it?

15 A No, he did not ask. I volunteered that I didn't
16 remember.

17 Q Did he ask you any substantive questions about the
18 events back then?

19 A No.

20 Q Did he share with you any recollection or
21 statements that he had about the events back in 2000?

22 A Not about back in 2000 but I do remember I
23 discussed -- we discussed whether he had been contacted by
24 the IG's office, and I said I hadn't either, which I was
25 surprised. I believe he expressed surprise as well. And I

1 do recall that he said he had talked with Dick Walker, which
2 I didn't get because Dick Walker, I thought -- the way he
3 described it is that Dick was still the head of the New York
4 office at the time but that timing didn't sound right because
5 Dick must have been the head of all of enforcement in 2000,
6 not the New York office. Dick had to have been. He signed
7 my going -- he wrote a going-away letter for me so -- in June
8 of 2000 or July of 2000. So he signed it as the head of the
9 office -- I mean head of enforcement.

10 Q Head of enforcement?

11 A So he couldn't have been head of New York at the
12 time. But that was the nature of that. They had a
13 conversation about the details that occurred back then but
14 that's what Juan had indicated to me.

15 Q What did Juan share with you about the details of
16 his conversation with Mr. Walker?

17 A Only that they were going back and forth about --
18 none of the specifics that I recall, but just generally that
19 Dick had questions about the interplay between what happened
20 in Boston and how it got up to New York, but I don't --
21 that's my memory but, again, I -- as far as I know, I don't
22 know anything that happened after, you know.

23 Q Did Mr. Marcelino say to you or imply that the May
24 2000 referral from Mr. Markopolos that's been marked as
25 Exhibit Number 1 was sent to New York, the New York office of

1 the SEC?

2 A No, he didn't indicate one way or the other.

3 Q Did he tell you that a referral by Mr. Markopolos
4 had at some point been sent to the New York office of the
5 SEC?

6 A I don't think it was in that context. It was more
7 in the context of Mr. Markopolos's testimony that while he
8 said whatever he did about me, that he really went after the
9 attorney in the New York office. That was the nature of the
10 conversations.

11 Q Other than the call from Mr. Marcelino, have you --
12 strike that. At this time within this conversation with Mr.
13 Marcelino, was it public that the inspector general's office
14 of the SEC was conducting an investigation?

15 A I don't know.

16 Q The reason I ask is because you shared with me that
17 he had said he hadn't been contacted by the inspector
18 general's office and was surprised. So I'm wondering on what
19 basis it was that he -- if you know that he expected to be
20 contacted by the inspector general's office of the SEC?

21 A Oh, I indicated that I was surprised. I don't
22 remember if he had a reaction one way or the other.

23 Q Okay.

24 A It was -- I mean, I had been at the commission a
25 while and I presume that something this -- you know,

1 something of this magnitude would quickly be followed by an
2 inspector general's investigation, and I was surprised that
3 it hadn't happened before the testimony.

4 Q Okay. Since December 11, 2008, when the Madoff
5 scheme collapsed, have you had any conversations with Mr.
6 Manion about anything?

7 A No.

8 Q Any conversations with Mr. Adelman about anything
9 related to Madoff?

10 A No.

11 Q Any conversations other than the one you've
12 mentioned with Mr. Marcelino with any former colleagues at
13 the SEC about Madoff?

14 A No.

15 Q I'm just trying to get a little better sense of
16 what the flavor, if you will, or the nature of the
17 conversation with Mr. Marcelino was. Did he call you
18 expressing concern that there might be an inspector general's
19 office investigation?

20 A No. He literally called because he knew my name
21 had been mentioned and that I had been -- you know, that Mr.
22 -- whatever his name is -- had made a characterization about
23 my financial wherewithal. And so the -- most of the
24 conversation surrounded that and actually the rest of the
25 conversation was personal.

1 Q So I just want to make it clear during that
2 conversation, there was no discussion about your respective
3 recollection of events related to the Madoff matter?

4 A No. I recall telling him I don't remember
5 anything. I wish I did.

6 Q Okay. Other than that statement, was that an
7 impromptu statement or did Mr. Marcelino ask you if you had
8 recalled anything?

9 A No, because I was -- it was still -- that was an
10 impromptu statement by me.

11 Q Did Mr. Marcelino suggest that it would be a good
12 idea if you -- to discuss your recollection of events before
13 giving testimony to the inspector general's office?

14 A Not at that conversation and we haven't talked
15 since.

16 BY MR. WITHERSPOON:

17 Q Just one quick thought when I may have been out of
18 the room. When Mr. Marcelino told you that he had heard or
19 had come to find out that your name had been mentioned, did
20 he tell you how he came into that knowledge?

21 A No.

22 Q He didn't mention what he had seen or what he had
23 read or what he had heard, the source of it?

24 A No.

25 Q He just said that he had heard that your name had