

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

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

WITNESS: Number 77

PAGES: 1 through 16

PLACE: Room 6002

Securities and Exchange Commission

100 F Street, N.E.

Washington, D.C. 20549

DATE: Wednesday, August 19, 2009

ORIGINAL

The above-entitled matter came on for hearing, via
telephone, pursuant to notice, at 10:08 a.m.

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1 APPEARANCES:

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3 On behalf of the Securities and Exchange Commission:

4 H. DAVID KOTZ, ESQ. Inspector General

5 HEIDI STEIBER, ESQ. Investigator

6 Office of Inspector General

7 Securities and Exchange Commission

8 100 F Street, N.E.

9 Washington, D.C. 20549

10 202-551-6033

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12 On behalf of the Witness:

13 RALPH TALARICO (Via telephone)

14 Union representative

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C O N T E N T S

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WITNESS

William David Ostrow

EXAMINATION

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1 subject to the laws of perjury. Providing false or
2 misleading testimony under oath is a very serious offense.
3 If the evidence shows the testimony you have given is false,
4 we may refer it as appropriate.

5 Do you understand those instructions?

6 A Yes.

7 Q Great. Okay, take you back in time in the period
8 when you conducted the examination of Madoff's, Bernie
9 Madoff's firm, and I wanted to ask you about a statement made
10 by Elaine Solomon, who worked as Peter Madoff's secretary.
11 Do you remember meeting an Elaine Solomon?

12 A Probably at some point during the exam, I probably
13 met her. She was sitting nearby.

14 Q Okay. Do you remember having any conversations
15 with her?

16 A Directly or indirectly, no. I'm not sure if she's
17 the one I had to get the restroom key from or get access to
18 the bathroom.

19 Q Okay.

20 A I don't recall --

21 Q Okay. Ms. Solomon was quoted in a book and we
22 actually took her testimony as well, and she referenced
23 different SEC examiners who were at Madoff's firms' offices,
24 and stated that "those examiners were very much, kind of,
25 wowed by Madoff's firm and by the offices, and said, "Can we

1 get jobs? Can we give you our resumes?"

2 Was there ever a point in time where you asked Ms.
3 Solomon or anyone else at Madoff's firm about the possibility
4 of working for Madoff, while you were doing an examination
5 for the SEC?

6 A Not at all.

7 Q Did you ever say anything to the effect of, "Wow,
8 this would be a great place to work. How can we get a job
9 here?"

10 A Never.

11 Q Okay. Ms. Solomon also stated that SEC examiners
12 or auditors asked, "Can we give you our resumes to work
13 here?" At any point in time, did you say to Ms. Solomon or
14 anyone else at Madoff's firm, "Can you give them your resume"
15 to be able to work for Madoff's firm?

16 A Never.

17 Q Okay. Ms. Solomon said -- at least was quoted in
18 the book that a couple of SEC examiners actually dropped off
19 their resumes. Did you at any point in time ever drop off a
20 resume for -- at Madoff's firm while you were an SEC
21 examiner?

22 A Never.

23 Q Okay. At any other time, other than when you were
24 working as an SEC examiner, did you ever seek employment with
25 Madoff's firm?

1 A Never.

2 Q Okay. Do you know anyone else who did at any point
3 in time ask about employment, or seek employment with
4 Madoff's firm?

5 A No.

6 Q You worked on the examination with Peter Lamore, is
7 that right?

8 A Correct.

9 Q At any point in time, did Peter Lamore say to
10 anyone at Madoff's firm, like Ms. Solomon or anyone else,
11 "Can we get a job there?"

12 MR. TALARICO: Wait. Just to clarify that, you're
13 asking if Peter ever said that in William's presence, right?

14 MR. KOTZ: Well, yeah, if he knows about it. He
15 could either have heard about it in that he heard Peter say
16 it directly or I guess Peter could have said to him, "By the
17 way, William, I just dropped off a resume for Madoff." So I
18 mean, there are other ways, two ways for him to know about
19 it.

20 BY MR. KOTZ:

21 Q The question is are you aware of any point in time
22 that Peter Lamore ever inquired about getting a job with
23 Madoff's firm?

24 A Not that I'm aware, and based on the kind of
25 language he would write in e-mails to me about confrontations

1 with the firm and -- I don't think he was as fond of the
2 place as I was either.

3 Q Right. Well, I mean, I guess the circumstances
4 that she was speaking about was kind of when you first began,
5 almost like the first day or the first couple of days you
6 guys came in, that it was a very impressive, and so there
7 some talk about wanting to get a job there.

8 Do you think there's anything that could have been,
9 kind of misconstrued, maybe a joke that was made, "Oh, these
10 are offices nice (sic). Oh, I wonder what it would be like
11 to work in private," you know, something like that.

12 MR. TALARICO: Or perhaps a secretary of a criminal
13 trying to cover her boss's ass, or something like that? I
14 mean, come on, I mean --

15 MR. KOTZ: Yeah, okay.

16 MR. TALARICO: I mean -- working for a criminal,
17 David.

18 THE WITNESS: Yeah. I'm very careful on exams to
19 never make any sort of comments like that about the settings.
20 You know, I wouldn't have said anything like that, even to
21 just -- even in private I wouldn't have said something like
22 that, so -- let alone with a secretary at the firm.

23 BY MR. KOTZ:

24 Q Okay. And you're not aware of Peter saying
25 anything like that either?