

Memorandum of Interview of Arthur Levitt

On Monday June 22, 2009, I interviewed by telephone Arthur Levitt, former Chairman of the Securities and Exchange Commission (SEC).

Mr. Levitt stated that he began working as Chairman of the SEC in 1993 and served as Chairman for approximately 8 years. He stated he held no other position with the SEC.

Mr. Levitt stated that he met Bernard Madoff on an infrequent basis while he was Chairman of the SEC, mostly at seminars or outside functions. He approximated that he saw Mr. Madoff once a year while he was the Chairman of the SEC. He did not recall having lunch with Mr. Madoff and did not believe he ever met with Mr. Madoff alone. Mr. Levitt stated he did not have a personal friendship with Mr. Madoff, had never socialized with him, and did not know his family, other than having met Bernard Madoff's brother. Mr. Levitt stated that he had met Bernard Madoff's brother when he visited Madoff's offices with members of his staff (5 or 6 people from the Division of Market Regulation.) He did not recall when this visit took place or who specifically from the Division of Market Regulation joined him in the visit, but recollected that it was during his tenure as Chairman of the SEC. He did not remember anything about the visit, except that it lasted for approximately 30 minutes. He further stated that Madoff's firm was one of many that he had visited and that he routinely visited broker-dealers, exchanges, and brokerage firms while he was Chairman of the SEC.

Mr. Levitt stated that while he was Chairman of the SEC, he was not aware of any examinations that the SEC was conducting regarding Madoff. He also stated that as Chairman of the SEC, he did not see, was not aware of, and was never provided any information that any complaint had been filed about Madoff. He stated he never heard of Harry Markopolos while he was at the SEC.

Mr. Levitt stated that he never heard any whispers that Madoff was engaged in any wrongdoing either while at the SEC or after he left the SEC before December 2008. He also stated he was not aware of any complaints provided to the SEC against Madoff after he left the SEC prior to December 2008.

Mr. Levitt stated his reaction after Madoff confessed in December 2008 was "astonishment" and that from what he knew of Madoff, he felt Madoff was unlikely to have engaged in criminal activity.

Mr. Levitt stated he was not aware while he was Chairman of the SEC that Madoff had been managing money for outsiders, only being aware of Madoff's broker-dealer operation. Mr. Levitt also said he didn't recall knowing anything about Madoff managing money for investors at any time before the story broke.

Mr. Levitt stated that he spoke generally with SEC officials after December 2008 about the Madoff matter, stating to them "can you believe this happened," but did not discuss any details about what went wrong or the examinations or investigations of Madoff.

Mr. Levitt stated he never communicated with the SEC on behalf of Bernard Madoff after he left the SEC.

When asked if while he was Chairman, he was aware of any preferential treatment given to high-level industry people, Mr. Levitt replied, when there were allegations against high-level industry people, we “salivated” and he stated he rejected the notion that SEC would “go easy on anybody.”