

DOW	12,526.30	-66.45	-0.53%
S&P 500	1,332.95	-4.48	-0.33%
NASDAQ	2,844.75	+1.95	0.07%

6.30	-0.53%	↓ S&P 500	1,332.95	-0.33%	↑ FTSE 100	5,928.69	+0.06%	↓ STOXX 50	2,736.55	-0.22%	↓ DAX	7,340.30	-0.06%	↓ Oil (WTI)	98.35	-0.86%	↓ U
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SEC Watchdog Probes Agency's Oversight of Stanford Receiver

By Joshua Gallu - Jul 22, 2011 12:28 PM ET

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The U.S. Securities and Exchange Commission's internal watchdog is investigating the agency's dealings with the man hired to recover funds for victims of R. Allen Stanford's alleged fraud amid claims the court-appointed receiver has taken too much money for himself.

Inspector General H. David Kotz said today he is reviewing the SEC's oversight of the receiver, Ralph Janvey, after getting a complaint that the bulk of recovered funds has been used to cover legal bills.

Janvey was appointed in 2009 after the SEC sued Stanford and a federal grand jury indicted him on 21 criminal counts alleging that he used his Houston-based [Stanford Financial Group](#) and an Antigua-based banking unit to defraud clients through the sale of certificates of deposit. Stanford, who has denied the allegations, is being held without bail while awaiting trial.

Kachroo Legal Services P.C. of Cambridge, [Massachusetts](#), released a statement yesterday accusing Janvey of "malfeasance and waste" in his management of collected assets and claiming there was an "inside deal" between Janvey and the Stanford investor committee to approve high fees.

Kevin Sadler, Janvey's attorney, said that the allegations are "patently false and completely irresponsible." Janvey, who hasn't been contacted by Kotz, will respond "promptly and appropriately" to any request, Sadler said in a statement.

SEC spokesman [Kevin Callahan](#) declined to comment.

Stanford investors and lawmakers have pressed the SEC for more than two years demanding more help in recouping money lost in the alleged fraud. Last month, the SEC said some investors should be eligible for payouts from the Securities Investor Protection Corp., an industry-backed fund that protects customers when a brokerage fails.

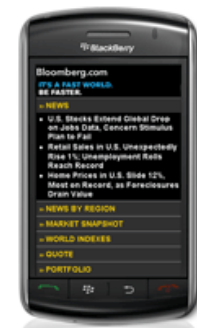
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