

United States Senate

August 11, 2020

COMMITTEES
APPROPRIATIONS
CHAIRMAN OF
FINANCIAL SERVICES
GENERAL GOVERNMENT
BANKING, HOUSING, AND
URBAN AFFAIRS
BUDGET
JUDICIARY
SMALL BUSINESS AND
ENTREPRENEURSHIP

The Honorable Mark Meadows
Chief of Staff
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Chief Meadows,

Last week, the president announced his intent to nominate several individuals to key administration posts. I write to relay my strong opposition to one of those individuals and encourage you to urge the president to withdraw this nomination immediately. Mr. Michael Finkel, of New Jersey, was nominated to be a Director of the Securities Investor Protection Corporation (SIPC). Mr. Finkel currently serves as Director and Senior Counsel at Société Générale (SocGen). As I will outline below, it is Mr. Finkel's affiliation with SocGen and his current capacity in their legal office that compels me to write to you today.

As many retirees and investors in Louisiana know, SocGen is intimately involved in one of America's biggest financial crimes in history—a \$7 billion Ponzi scheme perpetrated by Robert Allen Stanford. More than 1,000 Louisianians from Baton Rouge, Covington, and Lafayette lost significant amounts of their life savings from this massive fraud. The pain that this crime caused my constituents cannot be overstated. For reasons that are incredibly frustrating, SIPC determined it was unable to help Stanford's victims in the same way it has helped the investors of Bernie Madoff's Ponzi scheme. Less than \$600 million has been recouped and returned to Stanford's investors, while most of Madoff's victims have been made whole. SocGen is complicit in these delays.

Since 2009, SocGen has refused to return \$210 million of frozen assets to Stanford victims or U.S. authorities, and instead they used these funds to bankroll legal fees associated with defending claims related to the Stanford. These actions have only prolonged the suffering of my constituents and are entirely unacceptable.

Nominating a SIPC Director from SocGen sends the wrong signal to investors across America. The SIPC Board of Directors should not include a current employee of an entity that is fighting tooth and nail against returning assets to victims of investment fraud. On behalf of the many Louisianians that SocGen is choosing not to help, I oppose Mr. Finkel's nomination and respectfully urge the President to consider a new nominee.

Sincerely,



John Kennedy
U.S. Senate

cc: The Honorable Jay Clayton, Chairman, Securities and Exchange Commission