

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

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

**ORIGINAL**

WITNESS: Number 27  
PAGES: 1 through 48  
PLACE: Securities and Exchange Commission  
100 "F" Street, N.E.  
3rd Floor Conference Room  
Washington, D.C. 20549  
DATE: Tuesday, April 21, 2009

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

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1 APPEARANCES:

2 On behalf of the Securities and Exchange Commission:

3 DAVID WITHERSPOON, ESQ.

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19 On behalf of the Witness:

20 VANCE ANTHONY, PRO SE

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P R O C E E D I N G S

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MR. KOTZ: Okay. We are on the record at 10:10 a.m. on April 21, 2009, the United States Securities and Exchange Commission. I'm going to swear you in, if that's all right?

MR. ANTHONY: Works for me.

MR. KOTZ: Okay. Could you please raise your right hand?

Whereupon,

VANCE H. ANTHONY

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

MR. KOTZ: Could you state and spell your full name for the record, please?

THE WITNESS: First name Vance, V-a-n-c-e, middle initial H, last name Anthony, A-n-t-h-o-n-y.

MR. KOTZ: Okay. Mr. Anthony, my name is David Kotz; I'm the Inspector General of the United States Securities and Exchange Commission. And I have here with me my colleague David Fielder, David Witherspoon, and Heidi Steiber. This is an investigation by the Office of Inspector General, case number OIG-509.

I'm going to ask you certain questions; you will be providing answers under oath. The court reporter will record and later transcribe everything that is said. Please provide

1 Q There came a time where Simona Suh asked for your  
2 assistance --

3 A Sure.

4 Q -- in the Bernard Madoff matter.

5 A We -- Bill Dale had the lead on this. We talked  
6 with her, we had some conference calls with her, she sent us  
7 some data. My notes pretty much die at about the time we got  
8 the data.

9 Q Okay.

10 A I don't know why. I don't know whether Bill gave  
11 this to somebody else. I don't know if we decided we  
12 couldn't help her, but my notes pretty much end there.

13 Q Okay, but do -- what do you remember? Do you  
14 remember having communications with her?

15 A Absolutely. We had some phone calls and e-mail  
16 exchanges.

17 Q And do you remember what those communications were?

18 A She was telling us that there was an assertion by  
19 somebody outside of the organization that Madoff was running  
20 a Ponzi scheme, and the -- that the returns were impossible  
21 to have been generated, we could not earn these returns, and  
22 discussions of that nature; and could we help in some sense.

23 Q Okay. And you know, in this e-mail, exhibit 1, she  
24 references a couple of matters. One is that "we discovered  
25 that BLM's," referring to Bernard L. Madoff, "principal,

1 Bernard Madoff, misled --" mislead, I assume it's misled --  
2 "NYRO examination staff earlier this year about the nature of  
3 his trading strategy.

4           Specifically, he told the examination staff that  
5 BLM no longer traded options as part of the strategy, the  
6 attached account statements show that that is not the case.  
7 Additionally, Madoff did not disclose to the examination  
8 staff some of the accounts in which he implemented this  
9 trading strategy. Because of these misrepresentations and  
10 also because of the high amounts at issue, we would like to  
11 obtain some independent verification of the reported  
12 returns."

13           Do you recall that there was concerns about that  
14 particular matter?

15           A     I mean, I have no reason to believe that's -- that  
16 we did not -- I mean, I can't tell you that I remember it  
17 from memory.

18           Q     Okay.

19           A     I'm reading this; I read it three years ago so I  
20 presume --

21           Q     Okay. But do you remember whether there was some  
22 independent verification that was done by your office?

23           A     I did not. I can tell you that I did not do any  
24 verification.

25           Q     Okay.

1           A     I cannot tell you whether somebody in the office  
2 did the verifying.

3           Q     Okay. Do you remember whether you reviewed these  
4 attachments that Ms. Suh sent to this e-mail?

5           A     I did not. I know I -- I'm sure that I clicked on  
6 them to look and see -- saw what they were, but I didn't do  
7 anything else. Didn't input them into any, you know, there  
8 are no SAS programs in my Madoff file, so I did not analyze  
9 them in any way, no Excel files used to analyze them.

10          Q     Okay. So you recall there was these communications  
11 but you don't remember what happened after that?

12          A     It's not so much don't remember what happened after  
13 that is that, I don't think I did anything after that.

14          Q     Okay.

15          A     I can see it in my notes, you know, I've read  
16 through the notes and there's this stop. You know, once we  
17 get the data my notes stop. And I recall, personally, not  
18 doing anything with it. You know, I affirmatively can recall  
19 not doing anything with it, but I can't tell you whether  
20 anybody else did anything with it or not.

21          Q     Okay. But you don't recall why you didn't do  
22 anything with it?

23          A     No, I don't.

24          Q     Okay. Do -- did you get any sense from the  
25 communications with Simona whether she felt the allegations