

112TH CONGRESS
1ST SESSION

S. RES. 346

Expressing the sense of the Senate regarding the Government of Antigua and Barbuda and its actions relating to the Stanford Financial Group fraud.

IN THE SENATE OF THE UNITED STATES

DECEMBER 8, 2011

Mr. VITTER (for himself, Mr. SHELBY, Mr. COCHRAN, and Mr. WICKER) submitted the following resolution; which was referred to the Committee on Foreign Relations

RESOLUTION

Expressing the sense of the Senate regarding the Government of Antigua and Barbuda and its actions relating to the Stanford Financial Group fraud.

Whereas the Government of Antigua and Barbuda has committed numerous acts against the interests of United States citizens and operated the financial sector and judicial system of Antigua and Barbuda in a manner that is manifestly contrary to the public policy of the United States;

Whereas 20,000 investors, including many United States citizens, lost \$7,200,000,000 in an alleged Ponzi scheme involving fictitious certificates of deposit from Stanford International Bank, an offshore bank chartered in Antigua and Barbuda;

Whereas the Government of Antigua and Barbuda violated the order of the United States District Court for the Northern District of Texas regarding the receivership proceeding initiated at the request of the United States Securities and Exchange Commission (referred to in this preamble as the “Securities and Exchange Commission”), in which the court took exclusive control of all the assets owned by Allen Stanford and Stanford-affiliated entities around the world and documents relating to those assets;

Whereas the Government of Antigua and Barbuda challenged the authority of the United States District Court for the Northern District of Texas by—

(1) initiating a separate and competing liquidation proceeding for Stanford International Bank; and

(2) appointing liquidators who have defied the orders of the court in multiple jurisdictions around the world by litigating for control of hundreds of millions of dollars in bank accounts in the United Kingdom, Switzerland, and Canada;

Whereas the Government of Antigua and Barbuda challenged the authority of the United States Department of Justice by seeking to obtain control of hundreds of millions of dollars in bank accounts in the United Kingdom, Switzerland, and Canada that had been frozen at the request of the Department of Justice in accordance with multilateral criminal asset forfeiture treaties;

Whereas the courts of Antigua and Barbuda have denied recognition of the United States district court-appointed receiver for all assets of Allen Stanford and Stanford-affiliated entities;

Whereas the Stanford International Bank liquidators appointed by the Eastern Caribbean Court of Appeals now

seek recognition of the Antigua and Barbuda liquidation proceeding as a foreign insolvency proceeding under chapter 15 of title 11, United States Code, in the United States District Court for the Northern District of Texas;

Whereas the Government of Antigua and Barbuda acknowledged in a statement in March 2010 that—

(1) Stanford International Bank “was operating in Antigua as a transit point and for purposes of registration and regulation”; and

(2) “[t]he business of Stanford International Bank, Ltd. was run from Houston, Texas, and its books maintained in Memphis, Tennessee”;

Whereas Allen Stanford, the Stanford Financial Group, and the Government of Antigua and Barbuda enjoyed a mutually beneficial business relationship involving numerous economic development projects and loans to the government of at least \$85,000,000, and forensic accounting reports have identified those loans as having been made from Stanford International Bank certificate of deposit funds;

Whereas, in June 2010, the Securities and Exchange Commission alleged that Allen Stanford bribed Leroy King, the chief executive officer of the Financial Services Regulatory Commission of Antigua and Barbuda, to persuade Leroy King to—

(1) not investigate Stanford International Bank;

(2) provide Allen Stanford with access to the confidential files of the Financial Services Regulatory Commission;

(3) allow Allen Stanford to dictate the response of the Financial Services Regulatory Commission to inquir-

ies by the Securities and Exchange Commission about Stanford International Bank; and

(4) withhold information from the Securities and Exchange Commission;

Whereas, in June 2010, the United States Department of Justice indicted Leroy King on criminal charges and ordered Leroy King to be extradited to the United States;

Whereas the Government of Antigua and Barbuda has failed to complete the process of extraditing Leroy King to the United States to stand trial;

Whereas Dr. Errol Cort, who served as the Minister of Finance of Antigua and Barbuda from 2004 to 2009, allegedly received more than \$1,000,000 of fraudulently transferred Stanford investor funds either directly or indirectly through his law firm, Cort & Cort;

Whereas Cort & Cort, the law firm of Dr. Errol Cort, served as the official registered agent for Stanford International Bank until June 2009;

Whereas the Government of Antigua and Barbuda, along with the Eastern Caribbean Central Bank—

(1) seized control and possession of the Allen Stanford-owned Bank of Antigua without compensation to the United States district court-appointed receiver;

(2) renamed that bank the “Eastern Caribbean Amalgamated Bank”; and

(3) allocated a 40 percent ownership position to the Government of Antigua and Barbuda and 60 percent ownership to 5 Eastern Caribbean Central Bank member banks;

Whereas, after the fraud that the Stanford Financial Group allegedly perpetrated was made public, the Government

of Antigua and Barbuda expropriated numerous Allen Stanford-owned properties in Antigua and Barbuda worth up to several hundred million dollars, and the government has not turned over those properties to the United States district court-appointed receiver;

Whereas the Government of Antigua and Barbuda expropriated without compensation the property known as the Half Moon Bay Resort, which is owned by a group of 12 United States citizens; and

Whereas the Government of Antigua and Barbuda—

(1) has sought and obtained loans from the International Bank for Reconstruction and Development and the International Development Association (commonly known as the “World Bank”) and the International Monetary Fund; and

(2) is the recipient of other direct and indirect aid from the United States: Now, therefore, be it

1 *Resolved*, That it is the sense of the Senate that—

2 (1) provision of all further direct or indirect aid
3 or assistance, including assistance derived from Fed-
4 eral funds, by the United States Government to the
5 Government of Antigua and Barbuda should be sus-
6 pended until the Government of Antigua and Bar-
7 buda provides complete redress of the issues de-
8 scribed in the preamble, including through—

9 (A) the full cooperation of the Government
10 of Antigua and Barbuda and any appointee of
11 that government, including the joint liquidators
12 of Stanford International Bank, with the

1 United States Securities and Exchange Com-
2 mission, the United States Department of Jus-
3 tice, the United States district court-appointed
4 receiver, and the United States district court-
5 appointed Stanford Investors Committee, in in-
6 vestigating the Stanford Financial Group fraud
7 and marshaling the assets of Allen Stanford
8 and all Stanford-affiliated entities;

9 (B) an agreement by the Government of
10 Antigua and Barbuda to be subject to the juris-
11 diction and bound by the judgment of any
12 United States court that adjudicates the claims
13 relating to the Stanford Financial Group fraud;

14 (C) the transfer of the assets seized by the
15 Government of Antigua and Barbuda, or ob-
16 tained by the joint liquidators of Stanford
17 International Bank, to the United States dis-
18 trict court-appointed receiver for the benefit of
19 victims of the Stanford Financial Group fraud;

20 (D) a contribution by the Government of
21 Antigua and Barbuda to the United States re-
22 ceivership estate for the benefit of victims of
23 the Stanford Financial Group fraud, in an
24 amount equal to the amount of any funds that
25 Allen Stanford or any Stanford-affiliated entity

1 provided to the Government or government offi-
2 cials of Antigua and Barbuda;

3 (E) a contribution by the Government of
4 Antigua and Barbuda to the United States re-
5 ceivership estate for the benefit of victims of
6 the Stanford Financial Group fraud, in an
7 amount equal to any payments that Allen Stan-
8 ford or the Stanford Financial Group made to
9 Leroy King or any other official of the Govern-
10 ment of Antigua and Barbuda for the purpose
11 of subverting regulatory oversight of Stanford
12 International Bank;

13 (F) the fulfillment by the Government of
14 Antigua and Barbuda of its obligations relating
15 to the expropriation of the Half Moon Bay Re-
16 sort; and

17 (G) an agreement by the Government of
18 Antigua and Barbuda to not—

19 (i) interfere with the receivership com-
20 menced by the United States Government;
21 and

22 (ii) seek control of assets claimed by
23 the United States Government; and

24 (2) the Secretary of the Treasury should direct
25 the United States Executive Directors of the Inter-

1 national Bank for Reconstruction and Development
2 and the International Development Association
3 (commonly known as the “World Bank”) and the
4 International Monetary Fund to use the voice and
5 vote of the United States to ensure that any future
6 loan made by the World Bank or the International
7 Monetary Fund to the Government of Antigua and
8 Barbuda is conditioned on providing complete re-
9 dress of the matters, and satisfaction of the require-
10 ments, described under paragraph (1).

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