

Harry Markopolos

Subject: FW: \$30 Billion Equity Derivatives Hedge Fund Fraud in New York

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From: Harry Markopolos [REDACTED]
Sent: Wednesday, April 02, 2008 11:13 AM
To: Jonathan Sokobin [REDACTED]
Subject: \$30 Billion Equity Derivatives Hedge Fund Fraud in New York

Jonathan,

1. Thank you for taking the time to chat with me today.
2. Attached is a submission I've made to the SEC three times in Boston. Each time Boston sent this to New York. Meagan Cheung, branch chief, in New York actually investigated this but with no result that I am aware of. In my conversations with her, I did not believe that she had the derivatives or mathematical background to understand the violations.
3. Interestingly, a former derivatives PM's who I know who is now DOR at a HFOF tells me that a counter-part at another HFOF pulled his money out of Madoff after asking Madoff for trade tickets. He then went to the OPRA time & sales price feed and discovered that none of the Madoff trade tickets matched any time & sales reports on OPRA. He quickly concluded that Madoff was a fraud and pulled significant assets out of the fund.

[REDACTED]

Best of luck in your new position,

Harry