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The US Attorney's Office for the Central District of California Announces Securities Fraud Task Force

WRITTEN BY

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On October 4, U.S. Attorney for the Central District of California Martin Estrada announced the formation of a new task force, the Corporate and Securities Fraud Strike Force.

The Corporate and Securities Fraud Strike Force will focus on complex corporate and securities offenses that impact the nation's financial systems and trading markets. The strike force will work alongside federal law enforcement agencies to prioritize and expand investigations of abuses by company insiders and corporate executives, such as accounting fraud and insider trading.

"Fraud by corporate executives, traders, and other insiders corrodes public trust in our nation's business institutions and financial system," says Estrada, "this strike force will help focus our efforts on uncovering and punishing corporate malfeasance. Corporate criminals are on notice that my office will not tolerate efforts to deceive and cheat others." U.S. Attorney Brett A. Sagel, a veteran in prosecuting complex white-collar offenses, will lead the new division of experienced federal prosecutors.

The strike force will also examine criminal violations of the Bank Secrecy Act, designed to combat money laundering and tax evasion. "Greed in the corporate environment can lead to insider trading, self-dealing, and other fraudulent offenses," says Donald Always, assistant director in charge of the FBI's Los Angeles Field Office. The FBI, in joining with its federal partners, endeavors to protect the investing public and level the playing field. The strike force will also work with Los Angeles' IRS Criminal Investigation unit led by Special Agent in Charge Tyler Hatcher, who notes that the unit is "uniquely suited" to join the strike force due to its proven track record of investigating complex financial crimes.

As a result of this new strike force, corporations in the Los Angeles area should expect an increased focus on corporate crime. This announcement suggests additional coordination with the Securities and Exchange Commission, and other state and federal agencies.

The October 4 press release can be found here: <https://www.justice.gov/usao-cdca/pr/united-states-attorney-martin-estrada-launches-corporate-and-securities-fraud-strike>.

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