

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

-----X  
In the Matter of:

OIG-509  
-----X

WITNESS: NUMBER 49

PAGES: 1 - 25

**COPY**

PLACE: Securities and Exchange Commission  
3 World Financial Center  
New York, New York

DATE: May 11, 2009

The above-entitled matter came on  
for hearing at 3:48 p.m.

## 1 A P P E A R A N C E S:

2  
3 On behalf of the Securities and Exchange  
4 Commission

5  
6 H. DAVID KOTZ, ESQ.

7 United States

8 Securities and Exchange Commission

9 100 F Street NE

10 Washington, DC 20549  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

MR. KOTZ: We're on record at 3:48 p.m. on May 11, 2009 at the United States Securities and Exchange Commission.

The Court Reporter will swear you in.

IM Staff Accountant [Redacted]

having first been duly sworn by a Notary Public of the State of New York, was examined and testified as follows:

EXAMINATION BY

MR. KOTZ:

Q. Please state and spell your full name for the record.

A. IM Staff Accountant [Redacted]

IM Staff Accountant [Redacted]

IM Staff Accountant [Redacted]

Q. Mr. O'Connor, my name is David Kotz, I'm the Inspector General of the United States Securities and Exchange Commission.

This is an investigation by the Office of Inspector General, case number OIG-509. I'm going to ask you certain question, you'll provide answers oath. The Court Reporter will record and later transcribe everything that is said. Therefore, please provide verbal answers to the questions, as a

1 nod of the head or another non-verbal response  
2 will not be picked up by the Court Reporter.

3 Also, so the record will be clear  
4 please let me finish my question before you  
5 provide your response, and I'll try to let you  
6 finish your response before I ask the next  
7 question. It is also important that you  
8 understand the questions and give accurate  
9 answers. If there's anything you don't  
10 understand or anything you do not know or not  
11 sure about, please let me know. Otherwise I  
12 will assume that you heard and understood the  
13 question.

14 Do you understand those  
15 instructions?

16 A. Yes.

17 Q. I'll give you the perjury warning.  
18 As you can see your responses and statements  
19 given today are provided after you swore an  
20 oath and will be taken down verbatim by the  
21 Court Reporter. This is an official U.S.  
22 government law enforcement investigation. The  
23 claims asserted in this case are serious ones.  
24 It is very important you tell me everything you  
25 know about the matter at hand and are

1 Peter was calling to ask me why I had searched  
2 Madoff previously.

3 Q. What did you tell him?

4 A. That I basically just wanted to do  
5 some research on Madoff to see what kind of  
6 entity or business it was.

7 Q. Did you tell him kind of what you  
8 told me about what you found in connection with  
9 the IM matter you worked on?

10 A. Yes.

11 Q. Did he have any response?

12 A. No.

13 Q. Let me show you another document.  
14 We'll mark this as Exhibit 2. This is an  
15 E-mail dated 4/14/2005 at 2:41 p.m., so about  
16 two weeks later, from William Ostrow to Peter  
17 Lamore.

18 (Whereupon, the aforementioned E-mail  
19 was marked as Exhibit 2 for identification  
20 as of this date by the Reporter.)

21 Q. You could see there's a reference  
22 to you in an E-mail here. Peter Lamore and  
23 Ostrow are having a communication back and  
24 forth. Ostrow says to Lamore, "hey, I just  
25 finished boxing the rest of the items that

1 Christy found, I only have a few other things.  
2 Do you want me contact the IA guy to find out  
3 the name of the mutual fund he was at." And  
4 Lamore says, "okay. His name was IM Staff Accountant

5 [REDACTED] "

6 Does this sort of ring any bells  
7 for you?

8 A. Just generally the time frame, yes.  
9 I don't know if there was -- I don't know if  
10 the contact was before or after, but this  
11 obviously is a reference to the mutual fund  
12 here, is the only mutual fund that I've ever  
13 seen trading through Madoff, so.

14 Q. This is that same manner that we  
15 already talked about?

16 A. Yes.

17 Q. And so, this may have precipitated  
18 a phone call that Lamore made to you?

19 A. Possibly, yes.

20 Q. And you gave him, I assume, the  
21 name of the mutual fund?

22 A. Yes.

23 Q. Did he ever ask you any further  
24 questions about trying to assist with his  
25 examination?

1           A.       No.    There was only one phone call,  
2   that I remember.

3           Q.       Did you have occasion to kind of  
4   learn a little bit about the Madoff cause exam?

5           A.       No.    I have learned a lot more  
6   about since, but.

7           Q.       Let me ask you, have you ever had a  
8   situation where you had a broker dealer which  
9   also had a kind of investment arm, you know,  
10   how much they did in terms of providing  
11   investment advice, but nevertheless large hedge  
12   fund, would that have been something that IA  
13   could have assisted the DB, broker dealer side  
14   doing an exam?

15          A.       Do you want to rephrase the  
16   question.

17          Q.       Were there ever any occasions where  
18   you did joint exams with the other aspect of  
19   the examination unit?

20          A.       Where it was completely  
21   coordinated?

22          Q.       Yes.

23          A.       I don't think I've done -- I can't  
24   recall actually doing a 100 coordinated  
25   examination with the BD staff.