August 14, 2009

Honorable Members of the U. S. Senate:

My name is Troy Lillie and my wife Melanie and I live in Maurice, Louisiana. In 2005, I retired from ExxonMobil Refinery in Baton Rouge, Louisiana. Our goal during my entire career was to retire a few years early, while we could still enjoy the fruits of our labor after I worked so hard for almost 40 years. Being a refinery worker, I was in no way knowledgeable of how to invest my retirement funds. Thus, five years prior to retiring, we began seriously investigating where and who to invest our retirement savings with. We talked with several different financial advisors from various investment companies and attended many seminars. Through recommendations of my fellow refinery workers, we settled on the Stanford Financial Group and one of their advisors, Michael Word.

Stanford was a very high profile company in Baton Rouge. They sponsored local sporting events and segments of the local television news, had an impressive suite of offices on the eighth floor of a prominent office building in downtown Baton Rouge, and had a staff of financial advisors who were well trusted by the clients they recruited and built long-term relationships with. In many cases, the Stanford advisors were our neighbors and fellow church members. Almost all of the Stanford victims I have talked to have said that their advisor included the mention of prayer and faith in God as a major part of their lives. My wife and I also have a strong faith in God, as well as most of my fellow workers at ExxonMobil. This was definitely a factor in us trusting our advisor and the Stanford organization and its reputation as a growing and thriving American brokerage firm. Our first investment with Stanford came in 2004, just before I retired. We invested $50K we had saved to help buy our retirement home and had in a certificate of deposit at our local credit union. Our advisor said we could get a better return on a CD in the Stanford International Bank. Everything with that investment seemed fine so we had no reservations about moving forward with Stanford when it did come time for me to retire.

The Stanford Group to us was a solid, US company, headquartered in Houston, Texas. The company touted its all-American roots dating back to the Depression. It was a member of FINRA and SIPC as well as SEC- and FINRA- regulated and subject to all compliance rules relating to brokerage firms in the US. Additionally, the Stanford Trust Company, which held the IRA accounts for all Stanford investors from across the country, was a state chartered financial institution regulated by the Louisiana Office of Financial Institutions. We were told Stanford Trust had insurance policies that would cover our IRA investments. We were told that Stanford Group also had a bank in Antigua, and we were told it offered a very safe, solid and liquid CD investment because the bank did not expose itself to high risk investments or make loans subjecting it to losses and market volatility other banks face. As late as November 2008, I was told by my advisor’s office that the bank was rock solid and that it was the safest place to have money invested in CDs.

Just like me, many of my coworkers at ExxonMobil were heavily recruited by the Stanford organization. Most of us took our retirement package as a lump-sum cash payment upon retirement and had also saved cash and company stock through a matching thrift plan. Many, such as my wife and I, had as much as $1 million that went into an IRA account with Stanford upon our retirement. Our advisor assured us that putting all of our lump sum IRA retirement payout and our cash savings into Stanford International Bank CDs was the safest and best investment for us. Out of trust in him, the regulators who oversaw him and the entire Stanford brokerage firm, and the countless “endorsements” the company had with our political and community leaders, we followed that advice and converted an IRA stock account into cash and put it into a third CD.

Early in 2009, we redeemed the CDs based on our advisor’s recommendation. The reason he gave was the severe economic recession and many bank failures. Those funds are now frozen in a money market account. These funds have never been touched and they represent virtually all of our retirement and savings earned during our lifetime. My wife has many health problems and I have a heart pacemaker and other serious health conditions. Our out of pocket medical expenses are considerable. Since the account freeze, I have been searching for a job that will cover our living/medical expenses. Due to my age, the pacemaker, the medical expenses and the worst recession in my lifetime, this has been a difficult task. However, after five months of not having access to my retirement funds, I recently accepted a job as an offshore oil rig clerk, working two weeks on and two weeks off, in the Gulf of Mexico. This is a very dangerous position for me to be in given my pacemaker and the limited medical attention I would receive if I had a medical emergency. Since I am an independent contractor for this job, I receive no benefits and could lose the position at any time. I have never in my life depended on my government for financial aid of any sort, but prior to finding this job, I had no choice but to go on government aid. This is humiliating for me after working for decades so I could save for my retirement and be financially independent in my later years.

We are members of both the Stanford Victims Coalition and the Louisiana Stanford Victims Group and have been very active in seeking help and justice for all Stanford victims. Most of us victims are running out of time and don't have many years remaining. This was the retirement we had all worked for and sacrificed for all of our life. It is not something we can recreate as we are now in our senior years.

To add insult to injury, our former Stanford financial advisor is still operating as a licensed broker in the US. He, along with almost all of the former Stanford advisors, is still employed as a financial advisor and is out giving financial advice and selling securities to innocent investors despite the fact that hundreds of his clients have lost their entire life's savings with the Stanford CDs. It seems the same regulators who did not protect Stanford investors continue to subject innocent people to possible financial fraud.

This is a true disaster that has severely impacted the innocent and hard-working citizens of the state of Louisiana as well as all the Gulf Coast states where Stanford had a major presence. I have learned there are victims in 36 states in the US and this is just an unbelievable and inconceivable fraud that went on for over a decade while our regulators either weren't capable of doing their jobs or made the decision not to do so. Additionally, I have recently learned it is likely my retirement funds – along with all of the Stanford International Bank depositors' funds – never even left the United States, despite the regulators' excuses that Stanford International Bank wasn't in their jurisdiction and that they couldn't verify where the CD money was going once it was invested through our local financial advisor's office. According to recent court documents, all of my retirement funds I spent almost four decades building were sitting in TrustMark National Bank being used to fund Stanford's numerous businesses that I did not choose to invest in. Had the SEC or FINRA just looked at these bank accounts, or asked the Treasury to review the accounts for them, it would have been quite evident where our funds were going and that it was being stolen right out from under us and used to fund the operations of the brokerage firm so it could grow larger and defraud even more people. It also seems like the Treasury would have been suspicious about billions of dollars moving from account to account in a National bank subject to the Bank Secrecy Act, and that there would have been some kind of monitoring or examination process that would have detected massive fraudulent activity.

Having served honorably in the US Army and a part of the US workforce since age 17, I must say in closing that I am disappointed in the fact that our financial regulatory agencies, law enforcement agencies and judicial system have dramatically failed the victims in this case. Not only did our government fail to prevent this catastrophe, but since February 17, 2009, it has continued to allow and even participate in further victimization of the innocent Stanford investors who trusted in this government. This is a crime of epic proportion. I hope our government will put every effort possible to help come up with a plan to restitute victims of massive regulatory failure as we rely on our government to be accountable for their actions and inactions. The system absolutely failed us and now we are left destitute, defrauded and dependent on others.

Thank you for your attention,

Troy Lillie
Maurice, Louisiana