

# **WHITE COLLAR JUSTICE**

## **MAY 2005**

Law enforcement and the time honored pursuit of bad guys has been successfully practiced under the bottom/up principal. It's a simple concept, law enforcement agencies try to get lower level criminals to tattle on their superiors in order to bring down the entire crime syndicate. That practice has worked extraordinarily well in snuffing out the influence of the Mafia and drug lords. You would think that the same principles would be applied to organized white collar crime. Unfortunately, for the public at large it isn't. Case in point is the ongoing case against Bank of America order taker Ted Siphol.

Ted Siphol was a low level employee at Bank of America. Ted handled mutual fund trades for hedge funds. One such hedge fund was Canary Partners run by billionaire through inheritance Eddie Stern. Eddie Stern was found to have broken the law by conducting after-hours market timing trades for his hedge funds, which in turn hurt ordinary investors. Eddie Stern made a great sum of dough breaking the law through Bank of America. Eddie was the big cheese, the head honcho, the John Gotti of the scam. What disgusts me is why Eddie Stern is testifying against Ted Siphol, the mob equivalent of low level drug-pusher.

Simple one word answer...Money.

Eddie Stern is a billionaire who raked in tens of millions of dollars in illegal profits through his scam. However, due to Eddie's great wealth he will still be able to go on his usual holiday this August in the south of France. Ted Siphol might be facing 25 years. Eddie Stern is the prosecutions big witness in the case against Ted Siphol. The John Gotti of the entire scam paid the New York State Attorney General a \$40 million fine to settle the case and admitted no wrongdoing. Under the agreement Eddie Stern agreed to testify against Siphol.

This is the literal equivalent of the FBI letting John Gotti off with a fine and having him testify against the guy knocking over parking meters. Further proof that justice on Wall Street is just like any other financial instrument; it is bought and sold.