



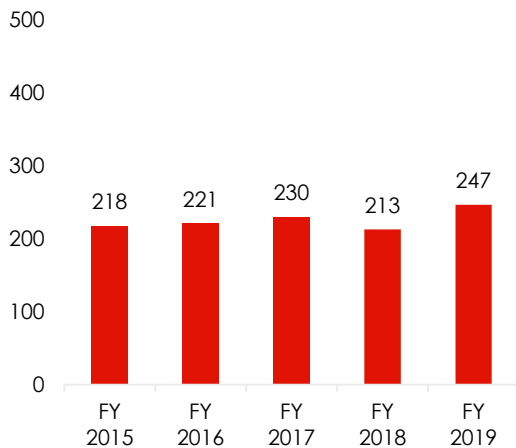
# Quick Facts

## — Securities and Investment Fraud Offenses —

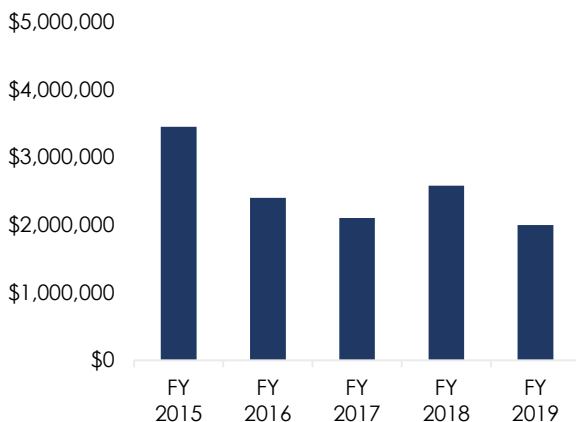
### Fiscal Year 2019

- ▶ IN FY 2019, 76,538 CASES WERE REPORTED TO THE U.S. SENTENCING COMMISSION.
- ▶ 5,707 OF THESE INVOLVED THEFT, PROPERTY DESTRUCTION, AND FRAUD.
- ▶ 4.4% OF THEFT, PROPERTY DESTRUCTION, AND FRAUD OFFENSES INVOLVED SECURITIES AND INVESTMENT FRAUD.<sup>1, 2, 3</sup>
- ▶ SECURITIES AND INVESTMENT FRAUD HAS INCREASED BY 13.3% SINCE FY 2015.

**Number of Securities and Investment Fraud Offenders**



**Median Loss for Securities and Investment Fraud Offenses**



### Offender and Offense Characteristics

- 88.3% of securities and investment fraud offenders were men.
- 76.9% were White, 10.9% were Other races, 6.9% were Hispanic, and 5.3% were Black.
- Their average age was 54 years.
- 90.7% were United States citizens.
- 82.2% had little or no prior criminal history (Criminal History Category I).
- The median loss for these offenses was \$2,000,000.<sup>4</sup>
  - ◆ 15.0% involved loss amounts of \$250,000 or less;
  - ◆ 18.2% involved loss amounts greater than \$9,500,000.
- Sentences were increased for:
  - ◆ the number of victims or the extent of harm to victims (72.9%);
  - ◆ using sophisticated means to execute or conceal the offense (46.2%);<sup>5</sup>
  - ◆ violation of a securities or commodities law by an officer or director of a publicly traded company, broker, dealer, or investment adviser (20.6%);
  - ◆ leadership or supervisory role in the offense (12.6%);
  - ◆ abusing a public position of trust or using a special skill (19.0%);
  - ◆ obstructing or impeding the administration of justice (14.2%).
- Sentences were decreased for:
  - ◆ minor or minimal participation in the offense (7.3%).
- The top five districts for securities and investment fraud offenders were:
  - ◆ Southern District of New York (26);
  - ◆ Central District of California (23);
  - ◆ Southern District of Florida (16);
  - ◆ Eastern District of New York (13);
  - ◆ District of New Jersey (11).

### Punishment

- The average sentence for securities and investment fraud offenders was 50 months.
- 86.2% were sentenced to prison.
- 2.0% were convicted of an offense carrying a mandatory minimum penalty; of those offenders, 40.0% were relieved of that penalty.



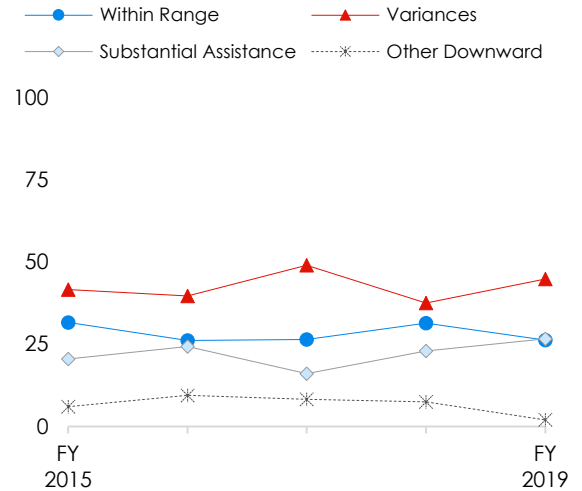
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— Securities and Investment Fraud Offenses —

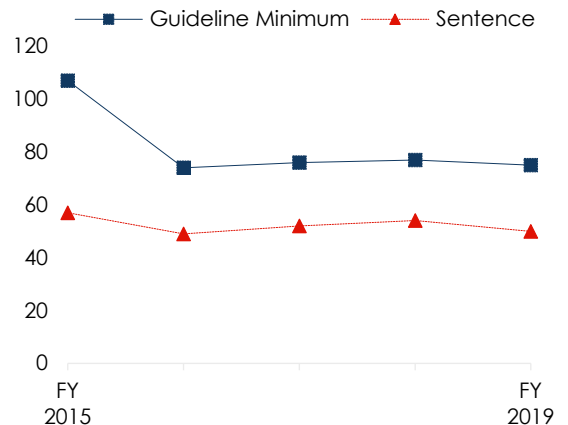
**Sentences Relative to the Guideline Range**

- Of the 55.1% of securities and investment fraud offenders sentenced under the *Guidelines Manual*:
  - ◆ 47.8% were sentenced within the guideline range.
  - ◆ 48.5% received a substantial assistance departure.
    - ◇ Their average sentence reduction was 72.8%.
  - ◆ 3.7% received some other downward departure.
    - ◇ Their average sentence reduction was 55.9%.
- 44.9% received a variance; of those offenders:
  - ◆ 95.5% received a downward variance.
    - ◇ Their average sentence reduction was 45.6%.
  - ◆ 4.5% received an upward variance.
    - ◇ Their average sentence increase was 21.7%.
- The average guideline minimum and average sentence imposed decreased five years ago, then stabilized over the past four years.
  - ◆ The average guideline minimum decreased from 107 months in fiscal year 2015 to 75 months in fiscal year 2019.
  - ◆ The average sentence imposed decreased from 57 months in fiscal year 2015 to 50 months in fiscal year 2019.

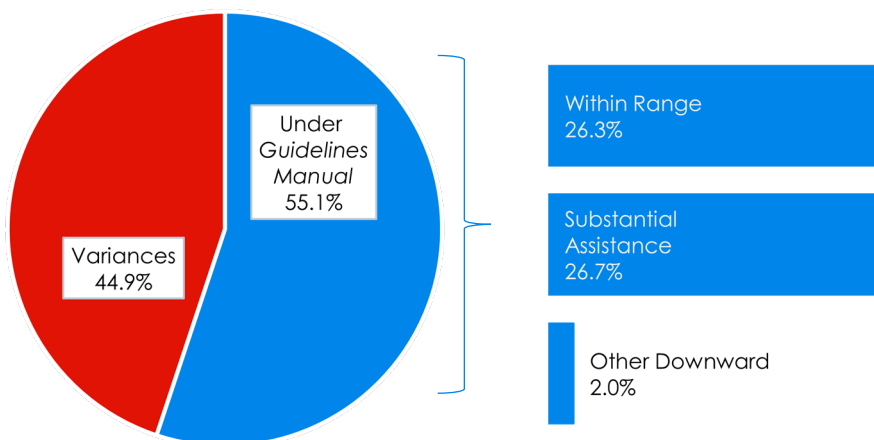
**Sentence Relative to the Guideline Range (%)**



**Average Guideline Minimum and Average Sentence (months)**



**Sentence Imposed Relative to the Guideline Range FY 2019**



<sup>1</sup> Cases with incomplete sentencing information were excluded from the analysis.

<sup>2</sup> Theft, property destruction, and fraud offenses include cases with complete guideline application information in which the offender was sentenced under §2B1.1 (Larceny, Embezzlement, and Other Forms of Theft; Offenses Involving Stolen Property; Property Damage or Destruction; Fraud and Deceit; Forgery; Offenses Involving Altered or Counterfeit Instruments Other than Counterfeit Bearer Obligations of the United States) using a *Guidelines Manual* in effect on November 1, 2001 or later. See [www.ussc.gov/research/quick-facts](http://www.ussc.gov/research/quick-facts) for the Quick Facts on §2B1.1 offenders.

<sup>3</sup> Securities and investment fraud includes cases where the offense conduct as described in the Presentence Report involved the deception of investors or the manipulation of financial markets.

<sup>4</sup> The Loss Table and Victims Table were amended effective November 1, 2015.

<sup>5</sup> The Sophisticated Means adjustment was amended effective November 1, 2015.