



# Quick Facts

▶ THERE WERE 71,003 CASES REPORTED TO THE UNITED STATES SENTENCING COMMISSION IN FISCAL YEAR 2015.

▶ OF THESE CASES, 7,724 INVOLVED THEFT, PROPERTY DESTRUCTION, OR FRAUD.<sup>1</sup>

▶ 2.8% OF THEFT, PROPERTY DESTRUCTION, AND FRAUD OFFENSES INVOLVED SECURITIES AND INVESTMENT FRAUD.<sup>2</sup>

## Securities and Investment Fraud Offenses<sup>2</sup>

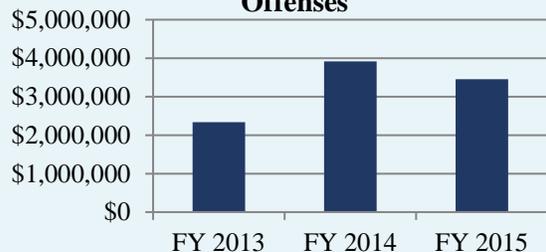
**Number of Securities and Investment Fraud Offenders**



**Top Five Districts Securities and Investment Fraud Offenders FY 2015**

Southern District of New York (N=35)
Southern District of Florida (N=19)
Central District of California (N=14)
Northern District of California (N=11)
Middle District of Florida (N=11)

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



In fiscal year 2015, there were 218 securities and investment fraud offenders, who accounted for 0.3%<sup>3</sup> of all offenders sentenced under the guidelines. The number of securities and investment fraud offenders decreased by 22.7% from fiscal years 2013 to 2015.

### Offender and Offense Characteristics

- In fiscal year 2015, almost all securities and investment fraud offenders were male (93.6%).
- Over three-quarters were White (77.1%) followed by Other Races (9.2%), Black (8.3%), and Hispanic (5.5%).
- The average age of these offenders at sentencing was 51 years.
- Almost all securities and investment fraud offenders were United States citizens (93.6%).
- The majority of securities and investment fraud offenders had little or no prior criminal history (83.9% of these offenders were assigned to Criminal History Category I).
- The median loss for these offenses was \$3,454,756.
  - ◆ 32.6% of securities and investment fraud offenses involved loss amounts greater than \$7 million.<sup>4</sup>
  - ◆ 21.1% of securities and investment fraud offenses involved loss amounts of \$400,000 or less.<sup>4</sup>
- Nearly three-quarters (70.6%) of securities and investment fraud sentences were increased because of the number of victims involved in the offense.<sup>4</sup>
  - ◆ 30.3% of these offenses involved 10 or more victims or mass-marketing;
  - ◆ 23.4% of these offenses involved 50 or more victims; and
  - ◆ 17.0% of these offenses involved 250 or more victims.
- Sentences for securities and investment fraud offenders were also increased for:
  - ◆ Use of sophisticated means to execute or conceal the offense (36.7%).
  - ◆ Violation of securities or commodities law by an officer or director of a publicly traded company, broker, dealer, or investment adviser (28.0%).
  - ◆ Leadership or supervisory role in the offense (19.7%).
  - ◆ Abusing a public position of trust or using a special skill (13.8%).
  - ◆ Obstructing or impeding the administration of justice (10.1%).
- Sentences for securities and investment fraud offenders were decreased for:
  - ◆ Minor or minimal participation in the offense (4.1%).

<sup>1</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.usc.gov/research/quick-facts](http://www.usc.gov/research/quick-facts) for the *Quick Facts* on §2B1.1 offenders.

<sup>2</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.

# Quick Facts

## Securities and Investment Fraud Offenses

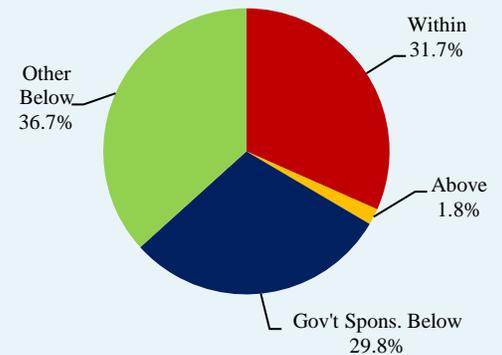
### Punishment

- The majority of securities and investment fraud offenders were sentenced to imprisonment (88.1%).
- The average sentence length for securities and investment fraud offenders was 57 months.

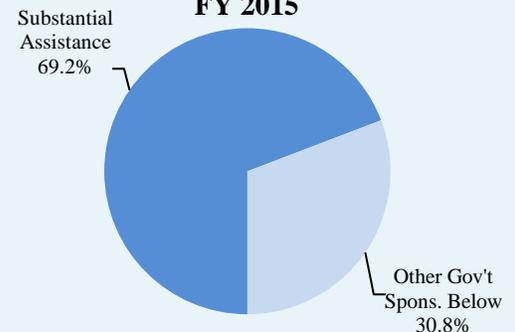
### Sentences Relative to the Guideline Range

- During the past three years, the rate of within range sentences for securities and investment fraud offenders has decreased from 44.0% in fiscal year 2013 to 31.7% in fiscal year 2015.
- In each of the past three years, approximately one-fourth to one-third of securities and investment fraud offenders received a sentence below the applicable guideline range because the government sponsored the below range sentence.
  - ◆ Substantial assistance departures were granted in approximately 16 to 28 percent of securities and investment fraud cases in each of the past three years.
    - ◇ These offenders received an average reduction of 64.7% in their sentence during the three year time period.
  - ◆ Other government sponsored departures were granted in approximately seven to nine percent of securities and investment fraud cases in each of the past three years.
    - ◇ These offenders received an average reduction of 43.2% in their sentence during the three year time period.
- The rate of non-government sponsored below range sentences increased during the past three years from 29.8% of securities and investment fraud cases in fiscal year 2013 to 36.7% in fiscal year 2015.
  - ◆ The average reduction for these offenders was 41.9% during the three year time period.
- During the past three years, the average sentence for securities and investment fraud offenders decreased while the average guideline minimum for these offenders increased slightly.
  - ◆ The average sentence imposed decreased from 77 months to 57 months during that time period.
  - ◆ The average guideline minimum increased from 96 months to 107 months during that time period.

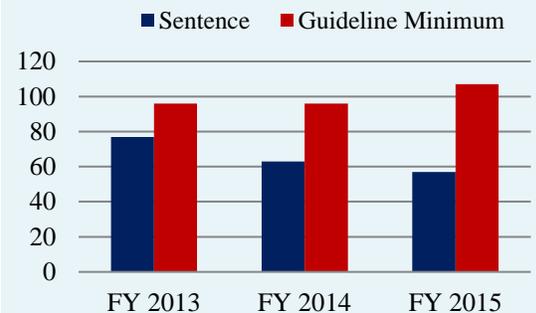
**Sentence Relative to the Guideline Range  
FY 2015**



**Government Sponsored Below Range Sentences  
FY 2015**



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



<sup>3</sup> Of the 71,003 offenders sentenced in fiscal year 2015, 7,543 were excluded from this analysis due to incomplete guideline application information.

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

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