



# Quick Facts

▶ THERE WERE 67,742 CASES REPORTED TO THE UNITED STATES SENTENCING COMMISSION IN FISCAL YEAR 2016.

▶ OF THESE CASES, 6,986 INVOLVED THEFT, PROPERTY DESTRUCTION, OR FRAUD.<sup>1</sup>

▶ 3.2% OF THEFT, PROPERTY DESTRUCTION, AND FRAUD OFFENSES INVOLVED SECURITIES AND INVESTMENT FRAUD.<sup>2</sup>

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

In fiscal year 2016, there were 221 securities and investment fraud offenders, who accounted for 0.4%<sup>3</sup> of all offenders sentenced under the guidelines. The number of securities and investment fraud offenders decreased by 21.6% from fiscal years 2013 to 2016.

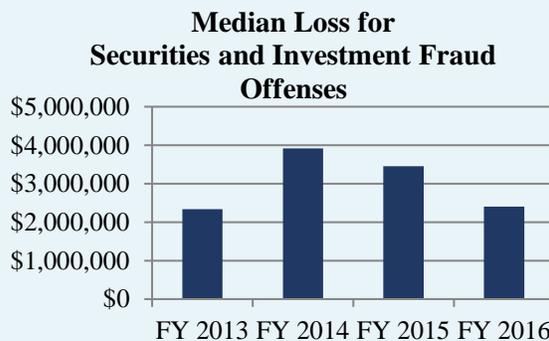


### Offender and Offense Characteristics

- In fiscal year 2016, almost all securities and investment fraud offenders were male (91.4%).
- The majority of these offenders were White (84.2%) followed by Hispanic (7.2%), Black (4.5%), and Other Races (4.1%).
- The average age of these offenders at sentencing was 50 years.
- Almost all securities and investment fraud offenders were United States citizens (94.1%).
- The majority of securities and investment fraud offenders had little or no prior criminal history (81.9% of these offenders were assigned to Criminal History Category I).
- The median loss for these offenses was \$2,400,000.
  - ◆ 38.4% of securities and investment fraud offenses involved loss amounts greater than \$3,500,000.<sup>4</sup>
  - ◆ 18.2% of securities and investment fraud offenses involved loss amounts of \$550,000 or less.
- Sentences for securities and investment fraud offenders were increased for:
  - ◆ The number of victims or the extent of harm to victims (78.7%).
  - ◆ Use of sophisticated means to execute or conceal the offense (37.1%).<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 (19.5%).
  - ◆ Leadership or supervisory role in the offense (10.9%).
  - ◆ Abusing a public position of trust or using a special skill (14.5%).
  - ◆ Obstructing or impeding the administration of justice (10.0%).
- Sentences for securities and investment fraud offenders were decreased for:
  - ◆ Minor or minimal participation in the offense (5.0%).

### Top Five Districts Securities and Investment Fraud Offenders FY 2016

|                                       |
|---------------------------------------|
| Southern District of Florida (N=29)   |
| Central District of California (N=27) |
| Southern District of New York (N=17)  |
| District of Massachusetts (N=16)      |
| Eastern District of New York (N=14)   |



<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.ussc.gov/research/quick-facts](http://www.ussc.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

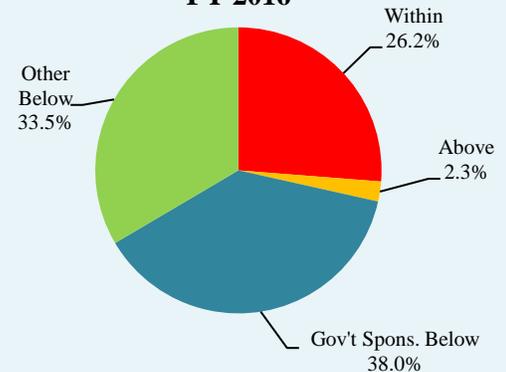
### Punishment

- The majority of securities and investment fraud offenders were sentenced to imprisonment (87.8%).
- The average sentence length for securities and investment fraud offenders was 49 months.

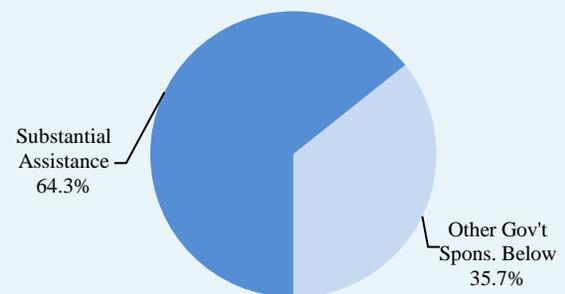
### Sentences Relative to the Guideline Range

- During the past four years, the rate of within range sentences for securities and investment fraud offenders has decreased from 44.0% in fiscal year 2013 to 26.2% in fiscal year 2016.
- In each of the past four 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 four years.
    - ◇ These offenders received an average reduction of 64.2% in their sentence during the four year time period.
  - ◆ Other government sponsored departures were granted in approximately seven to 14 percent of securities and investment fraud cases in each of the past four years.
    - ◇ These offenders received an average reduction of 43.4% in their sentence during the four year time period.
- The rate of non-government sponsored below range sentences varied during the past four years but were granted in approximately one-third of securities and investment fraud cases.
  - ◆ The average reduction for these offenders was 43.6% during the four year time period.
- During the past four years, the average sentence for securities and investment fraud offenders decreased while the average guideline minimum for these offenders varied.
  - ◆ The average sentence imposed decreased from 77 months to 49 months during that time period.
  - ◆ The average guideline minimum ranged from 74 months to 107 months during that time period.

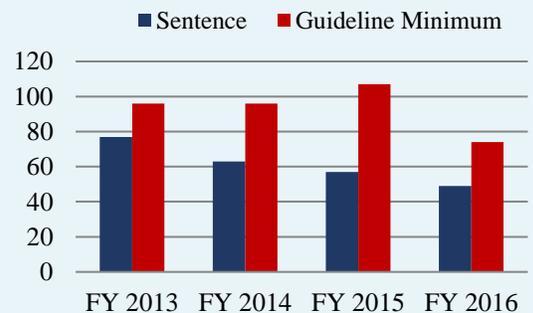
**Sentence Relative to the Guideline Range FY 2016**



**Government Sponsored Below Range Sentences FY 2016**



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



<sup>3</sup> Of the 67,742 offenders sentenced in fiscal year 2016, 5,784 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.

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

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