



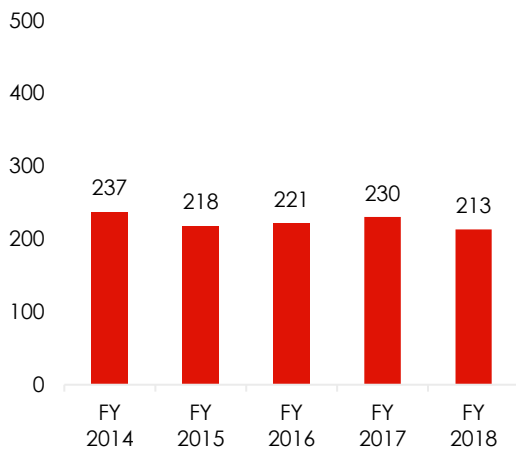
Quick Facts

— Securities and Investment Fraud Offenses —

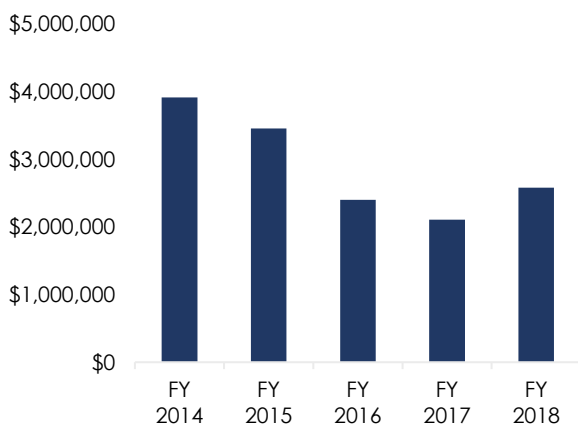
Fiscal Year 2018

- ▶ In FY 2018, 69,425 cases were reported to the U.S. Sentencing Commission.
- ▶ 5,948 of these involved theft, property destruction, and fraud.^{1,2}
- ▶ 3.6% of theft, property destruction, and fraud offenses involved securities and investment fraud.³
- ▶ Securities and investment fraud has decreased by 10.1% since FY 2014.

Number of Securities and Investment Fraud Offenders



Median Loss for Securities and Investment Fraud Offenses



Offender and Offense Characteristics

- 92.0% of securities and investment fraud offenders were men.
- 81.5% were White, 7.1% were Black, 6.6% were Hispanic, and 4.7% were Other races.
- Their average age was 53 years.
- 94.8% were United States citizens.
- 82.2% had little or no prior criminal history (Criminal History Category I).
- The median loss for these offenses was \$2,580,271.⁴
 - ◆ 17.3% involved loss amounts of \$550,000 or less;
 - ◆ 20.4% involved loss amounts greater than \$9,500,000.
- Sentences were increased for:
 - ◆ the number of victims or the extent of harm to victims (66.7%);
 - ◆ using sophisticated means to execute or conceal the offense (37.6%)⁵;
 - ◆ violation of a securities or commodities law by an officer or director of a publicly traded company, broker, dealer, or investment adviser (22.5%);
 - ◆ leadership or supervisory role in the offense (18.8%);
 - ◆ abusing a public position of trust or using a special skill (22.5%);
 - ◆ obstructing or impeding the administration of justice (10.8%).
- Sentences were decreased for:
 - ◆ minor or minimal participation in the offense (7.0%).
- The top five districts for securities and investment fraud offenders were:
 - ◆ Southern District of New York (19);
 - ◆ Central District of California (17);
 - ◆ Eastern District of New York (17);
 - ◆ Southern District of Florida (16);
 - ◆ Northern District of Illinois (13).

Punishment

- The average sentence for securities and investment fraud offenders was 54 months.
- 91.5% were sentenced to prison.
- Less than 1% were convicted of an offense carrying a mandatory minimum penalty.



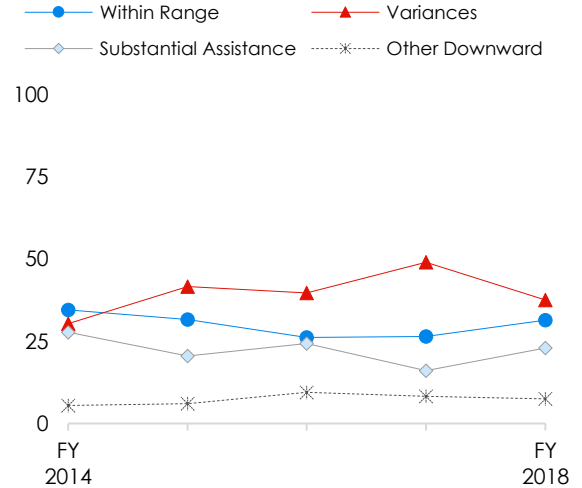
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— **Securities and Investment Fraud Offenses** —

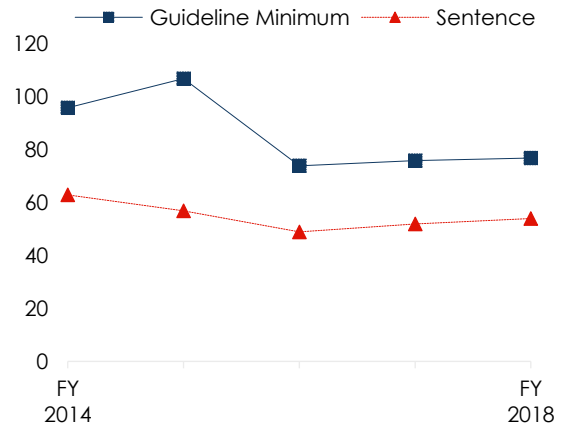
Sentences Relative to the Guideline Range

- Of the 62.4% of securities and investment fraud offenders sentenced under the *Guidelines Manual*:
 - ◆ 50.4% were sentenced within the guideline range.
 - ◆ 36.8% received a substantial assistance departure.
 - ◇ Their average sentence reduction was 61.6%.
 - ◆ 12.0% received some other downward departure.
 - ◇ Their average sentence reduction was 48.4%.
- 37.6% received a variance; of those offenders:
 - ◆ 96.3% received a downward variance.
 - ◇ Their average sentence reduction was 42.4%.
 - ◆ 3.7% received an upward variance.
 - ◇ Their average sentence increase was 68.4%.
- The average guideline minimum and average sentence imposed has fluctuated over the past five years, but stabilized over the past three years.
 - ◆ The average guideline minimum decreased from 96 months in fiscal year 2014 to 77 months in fiscal year 2018.
 - ◆ The average sentence imposed decreased from 63 months in fiscal year 2014 to 54 months in fiscal year 2018.

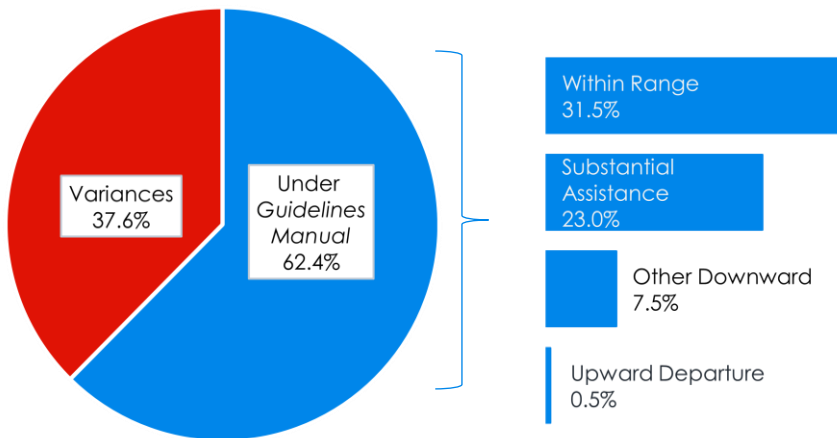
Sentence Relative to the Guideline Range (%)



Average Guideline Minimum and Average Sentence (months)



Sentence Imposed Relative to the Guideline Range FY 2018



¹ Cases with incomplete sentencing information were excluded from the analysis.

² 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 for the Quick Facts on §2B1.1 offenders.

³ 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.

⁴ The Loss Table and Victims Table were amended effective November 1, 2015.

⁵ The Sophisticated Means adjustment was amended effective November 1, 2015.