

Seeking Alpha^α

Stanford International Under Scrutiny [14 comments](#)

by: Paul Kedrosky

February 12, 2009

This story is almost beyond belief, but I suppose nothing really is anymore. The gist: An \$8.5-billion investment firm has been offering certificates of deposit with anomalously high rates of return for more than a dozen years, and concerns are growing that this can't be real.

The [Federal] agencies are investigating Stanford's sales of certificates of deposit issued by its Antigua-based affiliate, Stanford International Bank Ltd., according to the former employees. The agency has asked former employees about the bank's stated returns on investment, **between 10.3 and 15.1 percent every year from 1995 until last year**, according to documents and annual reports on the bank's [Web site](#). SIB has \$8.5 billion in assets and 30,000 clients, according to the site.

"That type of return ignores the business cycle," said L. Burke Files, principal of Financial Examinations & Evaluations Inc., a Tempe, Arizona-based financial investigation firm. "His returns fall outside the bell curve of probability." [Emphasis added]

More [here](#).