



The Office Of State Treasurer
Denise L. Nappier

Statement

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March 18, 2015

STATEMENT FROM STATE TREASURER DENISE L. NAPPIER ON FEDERAL SUSPENSION OF EFFORT TO COLLECT TRIUMPH CAPITAL FINE

HARTFORD, CT – State Treasurer Denise L. Nappier issued the following statement following the announcement by federal prosecutors that they have ceased trying to collect a \$4 million fine from Triumph Capital, a Boston investment firm that was convicted in 2003 in a bribery and racketeering scandal. U.S. District Court Judge Ellen Burns granted a motion on March 13, allowing federal officials to stop efforts to collect the fine from Triumph Capital Group Inc. on the grounds that the company is “no longer operating, does not appear to have any assets, and is apparently defunct.”

“This announcement serves as a reminder of how far we have evolved from the dark days of backroom deals. Through my administration’s dogged efforts, we have not only recovered investments made through illegal pay-to-play schemes, but also provided leadership in the transformation of the private investment markets for the benefit of all investors.

The challenges my Office faced as we worked to sever the relationships former Treasurer Paul Silvester forged with Triumph Capital and other firms served as a catalyst for reform in both the Connecticut Treasury and private investment markets.

With the assistance of the Office of the Attorney General and the U.S. Attorney in the Triumph matter, we recovered \$135 million in cash, transferred all remaining Triumph investments to a reputable manager, and received \$850,000 in restitution from the firm’s Chairman, Fredrick W. McCarthy.

My Office, working with like-minded institutional investors, has pushed for stronger contract language and regulatory safeguards to deter fraud or swiftly identify malfeasance, changes that have become standard in the industry. These efforts have increased transparency and enhanced alignment of interest for the benefit of investors.

As one who is all about the money, I find it regrettable when any money, like this \$4 million fine, is left on the table, but the evolution of the marketplace in the wake of the Silvester scandal is the true return on our investment. Backroom dealing is over. There is one door to the Treasury -- and it’s the front door.”

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