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Vermont Creates Restitution Fund for Victims of Securities Fraud

Press Release

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Montpelier, VT – Commissioner of Financial Regulation Michael Pieciak announced the creation of a restitution fund for Vermonters who fall victim to investment fraud. The Department of Financial Regulation worked closely with the Legislature to create the fund, which is included in Senate Bill 131 (Act No. 57 of 2019). It will allow fraud victims to recover a portion of their losses when full restitution is not available.

“In cases of investment fraud, such as Ponzi schemes, stolen money is often quickly squandered, leaving the courts and DFR unable to enforce restitution orders,” said Commissioner Pieciak. “This fund will provide financial assistance to victims of scams and frauds who obtain nominal relief from a court or the department, but no monetary recovery.”

The money for the victim restitution fund will come from monetary settlements of state securities law enforcement matters. No taxpayer money will be used.

Victims may apply for restitution within two years of receiving a final order. Claims are limited to the lesser of \$25,000 or 25 percent of the total restitution awarded, except vulnerable persons, including persons age 60 or older, may receive the lesser of \$50,000 or 50 percent of the total restitution awarded.

The department intends to adopt rules, including an application process, by the end of the year.

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