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## Morgan Stanley exec charged with \$2.5M fraud

By **Bruce Kelly**  
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A former Morgan Stanley employee has been charged with stealing \$2.5 million from the investment bank, with the crimes allegedly occurring over more than seven years.

Richard Garaventa, a former vice president in the operations division of the firm's institutional securities business, was charged Tuesday by the Manhattan District Attorney's Office with one count of falsifying business records, one count of criminal possession of stolen property and multiple counts of grand larceny, according to a statement by District Attorney Robert M. Morgenthau.

The crimes allegedly occurred from September 2001 to December of last year, according to the district attorney's office.

Lawrence Fredella, an attorney with The Blanch Law Firm PC of New York, who is representing Mr. Garaventa, said his client is maintaining his innocence and pleaded not guilty yesterday.


The timing of the case is curious, Mr. Fredella noted. "How did this go on for seven or eight years under the watchful eye of Morgan Stanley?" he asked.

"The alleged conduct by a former rogue employee is in direct violation of the firm's values and policies," wrote Mary Claire Delaney, a Morgan Stanley spokeswoman, in an e-mail.

"We reported this matter to the authorities and have provided every assistance to their investigation."

In August 2001, Mr. Garaventa allegedly incorporated a business, opened an account in its name

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at an outside bank and began writing checks from an in-house account at New York-based Morgan Stanley, according to Mr. Morgenthau's statement.

In total, Mr. Garaventa caused 50 checks to be issued from the Morgan Stanley account for amounts ranging from \$8,670 to \$74, 912.

He also allegedly used the phony business, dubbed NY Transfer Corp., and its account to pay for numerous personal expenses, including mortgage payments, airline tickets to Aruba and Florida and at least \$30,000 in jewelry and other amenities.

According to Mr. Morgenthau, Mr. Garaventa's alleged crimes were discovered during an internal review of the in-house Morgan Stanley account while he was on vacation paid for with the stolen money. Mr. Garaventa's salary in 2008 was \$125,000 plus a \$50,000 bonus. Morgan Stanley fired him last month.

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