

# SEC's porn again

By PAUL THARP

*Last Updated:* 1:05 AM, March 24, 2010

*Posted:* 12:58 AM, March 24, 2010

So *that's* what they were doing instead of watching out for fraudsters like Bernie Madoff.

Fresh details are surfacing about the extent of the Securities and Exchange Commission's problem with porn-obsessed workers. No fewer than 16 investigations are currently underway into SEC employees who've spent up to 1½ hours a day viewing online smut and kiddie porn.

One of those investigations involves the FBI, which was called in after the computer of one senior SEC employee was found to contain flash videos of what appeared to be child pornography. It was unclear if any arrests were made.

The developments are sure to add to the withering criticism the SEC has endured for more than a year for blatantly overlooking public warnings and tell-tale signs of Madoff's massive \$65 billion Ponzi scheme and other fraud cases.

The SEC's own inspector general's office has turned over documents to other agencies and lawmakers documenting two years of heavy porn-surfing on the job by SEC staffers and vendors, one whom is a woman.

At least 8,273 clicks on the SEC's powerful computers were tracked to dozens of salacious sites covering a spectrum of sexual appetites, from spankwire.com and fetishland.com to ladyboyx.com and rabittxx.com.

The porn crisis was first disclosed by the Washington Times in January after it obtained SEC in-house records through a Freedom of Information request. Gawker.com reported the latest crop of news detailing the types of Web sites SEC workers were checking out.

In January, a regional supervisor was said to be one of the heaviest porn users, with more than 1,800 personal visits to sites, sometimes twice a day.

The SEC bristles at suggestions it was too distracted by porn.

"Any level of misuse of government resources for inappropriate purposes is a matter of serious concern, which is why the SEC provides regular and comprehensive training on the proper use of the Internet," SEC spokesman John Nester has said about the scandal. "Indeed, each of the cases investigated was detected by our surveillance systems and referred to the inspector general for investigation."

The SEC was also singled out yesterday by investors for dropping the ball in one of its own failed probes of Allied Capital, which raised \$1 billion under questionable circumstances. A statement by investment firm Greenlight Capital claimed that Allied used "its political influence to corrupt" a law enforcement probe.

"The SEC's failure to act, despite its own investigation pointing to fraud, enabled Allied to go on to raise over \$1 billion of fresh equity causing investors additional harm," Greenlight said.

NEW YORK POST is a registered trademark of NYP Holdings, Inc.

[NYPOST.COM](http://NYPOST.COM), [NYPOSTONLINE.COM](http://NYPOSTONLINE.COM), and [NEWYORKPOST.COM](http://NEWYORKPOST.COM) are trademarks of NYP Holdings, Inc.

Copyright 2010 NYP Holdings, Inc. All rights reserved. [Privacy](#) | [Terms of Use](#)