

A whistleblower contacted US regulators more than five years ago with allegations that Sir Allen Stanford's businesses were involved in an "illegal Ponzi scheme", the Financial Times has learnt, raising new questions about why authorities waited until last week to shut down the alleged \$8bn fraud.

Leyla Basagoitia, a former Stanford employee, raised a series of red flags about the tycoon's empire in a 2003 employment dispute with her company at a tribunal run by the finance industry's self-regulatory body. Ms Basagoitia also alerted the US Securities and Exchange Commission at about the same time, her lawyer said, echoing criticisms the agency ignored early warnings about the alleged \$50bn Ponzi scheme run by Bernard Madoff.

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