

Demystifying and de-demonizing Madoff

By Robin Regensburg
Special to the Advocate

In court testimony, Sheryl Weinstein, the former CFO of Hadassah, said of Bernard Madoff: "Under the façade, there is truly a beast."

That view perturbs Diana Henriques, author of "The Wizard of Lies: Madoff and the Death of Trust."

"I am impatient with descriptions of Madoff that demonize him or dismiss him as some sort of sub-human monster," said *The New York Times* senior financial reporter. It lets Madoff off the hook in a way I am not willing to do.

"Applying a shorthand label like "monster" or "beast" is, ultimately, a cop-out," Henriques said. "It spares us from confronting an uncomfortable reality: that human beings can and do commit acts of vast and devastating betrayal. Until we realize that Ponzi schemers are fundamentally human beings – deeply flawed, weak and selfish human beings, but still human – we cannot begin to defend ourselves from the con artists who will forever live among us.

Henriques, author of three previous books, spent nearly three years researching "Wizard." She conducted two prison interviews with Madoff and continues to cover the fallout from the scandal.

Henriques will be the keynote speaker at the Ryna Greenbaum JCC Boston Jewish Book Fair Festival Day on Nov. 20 at the Leventhal-Sidman Jewish Community Center in Newton.

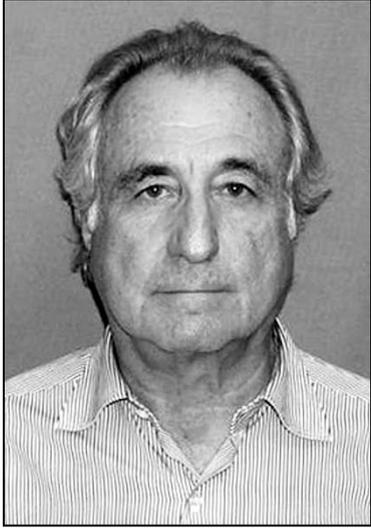
In an interview with *The Advocate*, Henriques talks about Madoff's motivations, his Jewish ties, his family and the extent to which he feels remorse.

Q. You presented the facts about Madoff and the Ponzi scheme objectively. Was that difficult? Did you have a preconceived judgment about him?

A. It was a difficult line to walk – to humanize him without either demonizing him or glamorizing him. But I did not approach him with a preconceived image. Instead, I saw him as a mystery to be solved, a knot to be untangled to whatever extent possible.

Q. The book reads like a novel. We learn about Bernie's roots: He and Ruth were high-school sweethearts; Bernie's mother kept a kosher home; Ruth's family was not particularly observant. Was Bernie Madoff a religious man?

A. He did not strike me or the people I interviewed about him as a religious, or even a particularly spiritual man. His brother, Peter, by contrast, was observant and became deeply reliant on his faith during and after his son Roger's unsuccessful battle with cancer. There is certainly a thread of sentimentality woven into [Bernie's] make-up; his wife, Ruth, recalled that he had such



Bernard Madoff

happy memories of raising their sons in their Roslyn, N.Y., home that when he would show prospective buyers through the house, he would break down in tears.

Q. You quote Madoff as saying that early in his career some of the biggest names on Wall Street liked to send him orders because, "they thought I was a nice Jewish boy." Did you get a sense of how he reconciled his image with his actions?

A. I don't think he actually *can* reconcile his image with his actions. He clings to his image of himself as a seminal figure in the evolution of the Nasdaq market, which he was, and as the founder of a successful OTC [Over the Counter] trading firm, which he was. That he also defrauded his investors is something he seems to keep in a different compartment of his psyche – it's almost like the story of Dr. Jeckyl and Mr. Hyde. The only exception is his deep sense of guilt over the suicide of his son Mark – that seemed to pierce the extraordinary armor that seems to protect him from a deep sense of shame over his fraud.

Q. Many of Madoff's biggest clients were important Jewish charities and major philanthropists. Was he ever concerned about putting them at risk?

A. He expressed no such concern. He did note in one interview that some charities had made a great deal of legitimate money by investing with him before the fraud began. And he notes that many of his longtime investors were able to be such generous philanthropists because they, too, reaped legitimate profits before the Ponzi scheme started. In some cases the charities that suffered were investing through a feeder fund or other intermediary, and Madoff himself might not even have been aware they were investors.

Q. Throughout his career, Madoff used his Jewish relationships to spread the word about his brokerage firm. You quote one of his victims as saying, "Nobody has done more to reinforce the ugly stereotype that all Jews care about is money." Was he ever con-

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Author of "Wizard of Lies"



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cerned that his actions could stir up anti-Semitism?

A. Again, he has not expressed that concern, but he and his lawyer were clearly aware of the harsh anti-Semitic reaction to his arrest and confession.

Q. You write that Bernie's father, Ralph, started a sporting goods manufacturing company in the 1940s, but by 1951 the business went bankrupt and the family faced serious financial anxieties. Did the Ponzi scheme stem from his own fear of failure and his need to prove himself more successful than his father?

A. That is my theory, and some of the psychologists and psychiatrists I've talked with agree that it is at least plausible. Madoff himself described a point in his march toward disaster when, if he had only been able to own up to his losses and face the music, the fraud would never have grown and multiplied as it did. He says he had too much pride to make that admission. One psychiatrist observed, by the way, that in Madoff's twisted viewpoint, he may actually feel that he has been a success: He has made history, he ran the biggest Ponzi scheme ever.

Q. During the second of your two prison interviews, Madoff said he was working with a therapist to dig into the roots of his lies and how he was able to live with himself. Has he figured anything out?

A. He has begun to understand, he said, that he has always tried too hard "to please people," which might also mean, "to impress people." And he realizes that he has a deeply embedded tendency to "compartmentalize" his life and feelings. His son's suicide may be breaking down some of those walls, but it remains to be seen how hard Madoff will work to build them up again.

Q. Has he read the book?

A. Yes. He told me he appreciated my fairness to his family, and he complimented the "vivid details" I collected. But he disagreed firmly with one of my conclusions: He insists his fraud didn't start until 1992, and I simply don't buy that. So we continue to debate that now and then – we still trade emails, and that topic comes up every month or so.

Q. Why does Madoff continue to send you emails?

A. The prison system's email architecture is very complex. I get emails from him when his family members are in the news. When his son's widow was in the news with some very harsh assessments of him, he sent me a note saying, "The interview was as painful as I expected. I cannot find fault with what she said about me or the hate she expressed. I certainly am guilty of causing Mark's death."

Q. How is he managing prison life?

A. He's been very adaptable to

it. He can exercise. He reads a lot. He spends a lot of time in the prison library. He has a job. He works a few hours a day in the prison commissary. They watch television; he spends a modest amount of time on the computer. It's the nature of prison culture that he's a celebrity there.

Q. Who else from the family has read the book?

A. Both Ruth and [their son] Andrew Madoff have read the book. Ruth said she was grateful for my compassion in dealing with the death of her son Mark. Andrew told me he could not put the book down and stayed up all night to mentally compare his own memories of certain periods in his life with what the book revealed was really happening in his father's life of fraud.

Q. In the book, you say there is no evidence that Ruth and their two sons knew about the scheme. Did you interview Ruth?

A. I conducted a lengthy on-the-record interview with Ruth Madoff last month and, apart from revealing the failed suicide attempt of 2008, her recollections matched closely what I had been able to learn in my extensive confidential interviews during my research for "The Wizard of Lies." She seems to still be in shock – she told me she couldn't bring herself to follow all the very hostile coverage of the scandal as it was unfolding, so it wasn't until she read my book last spring that she fully took in the scale and scope of Madoff's crime. That knowledge has filled her with shame for what her husband did to so many people, many of them their closest friends and relatives.

Q. How does Ruth feel about him now?

A. Ruth cut off all contact with Madoff in the fall of last year, a month or more before her son Mark's suicide. She was devastated by Mark's death, and she had to call Madoff in prison to tell him. That was the last time she spoke to him. She will not see him or reply to any emails, and she changed her telephone number so he could no longer call her from the prison. She is in the process of rebuilding her relationship with her son Andrew and his children and with Mark's older children by his first marriage. Mark's widow still is not open to any form of reconciliation with her, however, so she has been largely cut off from seeing her two youngest grandchildren.

Q. What are your thoughts now about Madoff?

A. This was such an enormous waste of life. He was a bright, energetic man. He had two sons he was immensely proud of and a loving relationship with Ruth and he destroyed it all. It was a question of whether he was able to live with himself as a liar or to live with himself as a failure; and for him, it was easier to live as a liar.

A criminal day at JCC book festival

Diana B. Henriques, author of "The Wizard of Lies – Bernie Madoff and the Death of Trust," headlines the brunch at Jewish Book Festival Day at the Leventhal-Sidman Jewish Community Center, Newton, on Nov. 20th at 11 a.m.; reservations required.

Other festival events:

1 p.m. "Thriller," a roundtable discussion about crime fiction and nonfiction with Joseph FINDER ("Buried Secrets"), Len ROSEN ("All Cry Chaos") and Douglas STARR ("The Killer of Little Shepherds: A True Crime Story and the Birth of Forensic Science").

2: 30 p.m. "Authors Salon," including Adam Schwartz ("A Stranger on the Planet – A Novel"), Robert STRAUSS ("Daddy's Little Goalie"),

Stuart HECHT ("Transposing Broadway: Jews, Assimilation, and the American Musical" and Judy GELMAN and Peter ZHEUTLIN ("The Unofficial Madman Cookbook")

4 p.m. "How to Write and Publish Children's Books," session for writers and prospective authors with Jane KOHUTH ("Estie the Mensch")

For reservations and ticket prices, visit www.jccgb.org/bookfair or call 617-965-5226 or 866-811-4111.



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