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Madoff: The pain and suffering of horrific fraud

Tom Gallagher | Jun. 18, 2009 NCR Today

This week the prosecutors in the colossal Madoff ponzi scheme case filed 113 victim impact statements [1]. I read them all and admit that after about 20 of them, they began to look, sound and feel the same. *The Wall Street Journal* blurb on the matter included this paragraph:

> "The letters ... range from one paragraph to several pages. Most are personal tales of loss blamed on Mr. Madoff. The story of Morton Chalek of Port Jefferson Station, N.Y., was typical: "I am 86 years old. I have a broken knee, I have lung cancer and thanks to Madoff, I am now bankrupt." A lawyer for Mr. Madoff, Ira Sorkin, declined to comment."

This past Sunday evening, "60 Minutes" ran an interview with Harry Markopolos, who repeatedly told the Securities and Exchange Commission that Bernie Madoff's investment fund was a fraud. He was ignored, and investors lost billions of dollars. The story was titled, "The Man Who Knew." [2] It's a brilliant title. It was very satisfying to listen to Markopolos because he "got it." At the same time, disbelief arose in me because the SEC incredibly didnt' get it even after Markopolos explained it to them.

Yesterday, the SEC "officially barred Madoff" [3] from participating in the securities business for life. At least the SEC has comedic timing.

Now President Barack Obama [4] "urged policy makers to rewrite the rules governing U.S. finance, unveiling far-reaching proposals that would affect nearly every aspect of banking and markets."

If anyone doubts the need for such reforms, I urge you to read all of the victim impact statements and watch the "60 Minutes" report.

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