

Madoff Trustee to \"clawback\" funds from charities

Tom Gallagher | Sep. 2, 2009 NCR Today

The bottomline is this: If a charity invested in Madoff's ponzi scheme, took money out of the Madoff Fund, those funds can be [clawed back](#) [1] by the bankruptcy trustee for distribution to victims.

Irving Picard, the liquidator for Bernard Madoff's investment business, said he might sue charities that took out more money than they invested with the imprisoned con man to force them to return the difference.

Picard, a lawyer with Baker & Hostetler LLP, declined to discuss specific nonprofit institutions. \"We will look at charities on a case-by-case basis before determining what action may be appropriate,\" he said.

Picard so far has pursued only charities that he claims should have known about the fraud. He sued longtime Madoff investor Jeffry Picower, a philanthropist and lawyer, and his charity in May for allegedly taking fake profit of \$6.7 billion for himself and his affiliates over a 20-year period. His charity is now closed.

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Links:

[1] <http://www.bloomberg.com/apps/news?pid=20601109&sid=azCKA1yuc6sg>