

Apologetic Madoff pleads guilty



Part-time PBer goes to jail, says he never invested most of the funds clients gave him.

By MEGAN V. WINSLOW
Daily News Staff Writer

NEW YORK — Before the judge revoked his bail and officers led him from the courtroom in handcuffs Thursday, Bernard Madoff apologized for stealing nearly \$65 billion from his investors, friends and family.

"I am actually grateful for this opportunity to speak publicly of my crimes, for which I am greatly ashamed," the disgraced financier read from a statement.

He pleaded guilty to 11 fraud-related criminal charges that could amount to 150 years in prison at his June 16 sentencing.

Continuing in a monotone, Madoff, 70, addressed U.S. District Court Judge Denny Chin and a Manhattan courtroom packed with journalists and victims, briefly describing how he committed the 11 crimes constituting the global, decades-long Ponzi scheme: securities fraud, investment adviser fraud, mail fraud, wire fraud, making false statements, perjury, false filing with the SEC, theft from an employee benefit plan and three counts of money laundering.

Madoff said he never invested most of the funds his clients gave to the investment advisory side of Bernard L. Madoff Investment Securities, depositing them instead in a Chase Manhattan Bank account he then used to pay himself and to make disbursements to investors who requested their returns.

Madoff said the scheme began during the recession of the early 1990s. Despite a tough securities environment, he had landed the accounts of several institutional investors and understood

Daily News Photos by Megan V. Winslow

Journalists surround a Ponzi-scheme victim after Bernard Madoff's plea hearing in New York on Thursday. **Top:** Reporters surround the Daniel Patrick Moynihan U.S. Courthouse, where the Madoff plea hearing took place.

Investors: Justice not served without trial, accountability

By WILLIAM KELLY
Daily News Staff Writer

An apology, a guilty plea and an impending jail sentence of up to 150 years is not enough justice to right the wrongs committed by infamous Ponzi schemer Bernard Madoff.

That's the sentiment expressed Thursday by Palm Beach residents who invested money with the disgraced financier or who reported clients who had done so.

Michael Stein, a retired business executive and former president of the Palm Beach Country Club, said he doesn't feel justice has been served.

He should face trial," Stein said. "There

is a lot more information that needs to come out. From my understanding, his pleading guilty obviates that, and that is unfortunate."

Madoff, a 70-year-old part-time Palm Beach resident, had about 600 clients in the area. He faces sentencing on June 16.

Former Town Councilwoman Susan Markin said 150 years in jail would be a suitable punishment for Madoff, but not enough justice for his victims.

"There is money sitting somewhere, and I'm sure his family knows how to get access to that at some point," Markin said. "I don't think his wife or sons should be able to ben-

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NYT Photo by Michael Appleton
Bernard Madoff arrives at the federal courthouse before pleading guilty.

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MADOFF

Victims want him to go to trial

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that they expected their investments to outperform the market.

"While I never promised a specific rate of return to any client, I felt compelled to satisfy my clients' expectations, at any cost," Madoff said.

Madoff said he thought the scam would end "shortly" so he could "extricate" himself and his clients from it. But prosecutors believe the scheme began as early as the 1980s and lasted until Madoff's arrest on Dec. 11.

As the government charged, Madoff said he enticed new clients by promising to engage in a "split strike conversion strategy" in which funds went to a basket of Standard & Poor's common stocks mimicking the price movements of the S&P 100.

"In fact, I never made those investments that I promised my clients," Madoff said.

Instead, he covered his tracks by lying to the SEC in sworn testimony and in official financial statements, and by wiring money from the United States to the United Kingdom to create the impression that investments were being made in Europe.

The former NASDAQ chairman said he further concealed his crimes from clients by creating fictitious confirmation reports he knew would keep them from learning what was truly going on.

By Nov. 30, Bernard L. Madoff Investment Securities had about 4,800 client accounts that, according to account statements for November, held a total of \$64.8 billion. Clients included individual investors, charities, trusts, retirement plans and other institutional investors.

"In fact, Bernard L. Madoff Investment Securities held only a small fraction of that balance on behalf of its clients," according to the prosecution's charging document, filed Tuesday.

Pausing every so often to sip a glass of water or clear his throat, it took Madoff about 10 minutes to finish delivering his statement in court. He stood facing Chin while read-

Victims unhappy with 'boring' apology

By MEGAN V. WINSLOW

Daily News Staff Writer

MANHATTAN — Victims who assembled to hear Bernard Madoff plead guilty Thursday morning cheered and clapped upon hearing he would exchange his \$7 million Manhattan penthouse for a jail cell until sentencing.

Braving a chilly breeze and a sea of journalists spilling off the sidewalks outside the Daniel Patrick Moynihan United States Courthouse, some shared their thoughts on the case, describing everything from their lack of trust in the Securities and Exchange Commission to how "boring" Madoff's apology speech was.

Madoff investor Burt Ross, the former mayor of Fort Lee, N.J., said he was quietly "delighted" to hear U.S. District Court Judge Denny Chin remand Madoff to custody after accepting his guilty pleas to 11 counts of fraud-related crimes.

"This is somber, but, yes, there's a relief that he's going to be behind bars," Ross said. "To see him in a penthouse paid for with our money while there are people who are literally losing their homes is wrong. It's just immoral, and the judge understood that."

Ross further lambasted Madoff for a lack of detail in his courtroom confession.

"It was so boring and so irrelevant to the reality of what happened," he said.

Most of the victims New York attorney Brad Friedman represents lost their life savings to Madoff. Collectively, their missing investments total about \$1 billion.

Friedman said his clients have declined to accept Madoff's apology and are frustrated with his inability or unwillingness to provide information about who helped him orchestrate his estimated \$65 billion Ponzi scheme.

"An apology, a proper apology, would have included a full confession as to who else was involved, where all the money is, and there was nothing of that nature," he said. "This was an attempt to shield."

The frenzy of the after-court scene just before noon provided a stark contrast to the mood when Madoff first arrived at the courthouse about 7:20 a.m., more than two and a half hours before his plea hearing actually began.

Then, Worth Street was eerily quiet, the dominant sound emanating from a quintet of television helicopters tracking the progress of Madoff's SUV from his East 64th Street apartment building. The helicopters paused over the courthouse as Madoff emerged from the vehicle, and their crews captured his stroll through the police barricades corralling two solid walls of photographers. But with Madoff covertly escorted from the courthouse by U.S. Marshals after the hearing, each victim emerging from the main entrance became the center of a human cluster consisting of photographers, videographers and reporters inching down Worth Street as New York City police officers yelled to create a path for traffic.

Miriam Siegman, a victim from New York who shouted "yes!" when Chin said he would send Madoff to jail, found herself cornered within a police barricade. She was also content to see Madoff taken to jail, but she offered some biting criticism of the SEC too. "Look, if I were on a desert island, and I could choose one person to get me off, and the choices were between someone from the SEC and Bernard Madoff, I would choose Bernard Madoff because he's a smart guy," Siegman said.

Ross also faulted the SEC for its lack of oversight into

INVESTORS

Reactions, from philosoph

From Page A1

enefit from money he stole from other people. People should watch his family for years so they can't live lavish lifestyles on it."

Richard Rampell, CEO of the Rampell and Rampell CPA firm, said he had about a half-dozen clients who invested with Madoff. None were bankrupted, he said. Their reactions ranged from a philosophical "c'est la vie" to a dark, seething fury.

"I don't think justice will ever be served unless people get all their money back,"

Rampell reveal a think h looked well. P on ever ily as m restituti Will mer ch Plannir mission Madoff Gutti ties law money able to stateme the tra

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ents," according to the prosecution's charging document, filed Tuesday.

Pausing every so often to sip a glass of water or clear his throat, it took Madoff about 10 minutes to finish delivering his statement in court. He stood facing Chin while reading and did not turn to eye the crowd in the gallery until victims were allowed to give short statements and one, identified only as Mr. Nuremburg, took to the podium.

"I don't know if you've had a chance to turn around and look at the victims," Nuremburg said.

Madoff then glanced over his right shoulder, but Chin instructed Nuremburg to return his attention to the podium and the subject at hand: Why the judge should not accept the guilty plea.

Instead, Nuremburg asked why there was no conspiracy charge amongst Madoff's charges.

"I'm not suggesting that you reject the plea but that there is another count to consider," he said.

The second victim to address the court, Delray Beach resident Ronnie Sue Ambrosino, objected to the plea on the grounds that it might mean the full extent of the crimes is never uncovered.

In her statement, Ambrosino alluded to the fact that Madoff's two sons, Mark and Andrew, and his brother, Peter, worked with him but have not been charged in connection with the Ponzi scheme. Neither has Madoff's wife, Ruth.

"Judge, I believe you have the opportunity today to find out where the money is and who else is involved in this crime," Ambrosino said. "And if this plea is accepted without those two pieces of information, I object to it being taken."

Federal prosecutor Marc

yes: When Chin said he would send Madoff to jail, even herself cornered within a police barricade. She was also content to see Madoff taken to jail, but she offered some biting criticism of the SEC too. "Look, if I were on a desert island, and I could choose one person to get me off, and the choices were between someone from the SEC and Bernard Madoff, I would choose Bernard Madoff because he's a smart guy," Siegman said.

Ross also faulted the SEC for its lack of oversight into Madoff's investment advisory business. "It is about money, but for me, it's about so much more," he said. "It's about trust; it's about values; it's about the system, the SEC that failed us. Here, the (prosecutors) did not fail us, so things are not always in black and white.

"You have parts of the government that did not do their job. You have parts of the government that did. Now we need the IRS to do its job and give these people, including 80-year-old widows, some guidance on how to file taxes and get the refund."

While not a Madoff victim herself, New Yorker Barbara Karen Tweck chose to picket outside the courthouse after the hearing. Her palms stained red to represent "the blood on Bernie's hands," she totes a poster board pasted with various Madoff news articles, the headlines underlined in bright red.

"It was an issue of trust that New Yorkers and many people trusted this man because of word of mouth, trust, that he was decent," she said. "I think it's a shame to do that, to scam people that way."

—mwinslow@pbdailynews.com

Litt, who has repeatedly assured the court that Madoff did not receive a plea deal, responded to Ambrosino's comments by promising that extensive resources are being employed to fully clear the case.

"The government's investigation continues," he said.

Madoff said Thursday that the parts of his business operated by his sons and brother were legitimate and profitable.

While audience members seated in the victims' section of the courtroom snickered at defense attorney Ira Sorokin's request that Madoff remain under house arrest at his uptown penthouse until sentencing, many cheered and clapped when Chin told Litt it was not necessary to argue against the motion.

"I don't need to hear from the government," Chin said. "It is my intention to remand Mr.

Madoff."

Chin said he made his decision because Madoff's guilty plea means he no longer retains a presumption of innocence and because the flight risk associated with such a heavy sentence is too great to ignore.

Victim Bennett Goldworth, a New York City real estate broker who invested with Madoff for nine years, left the courtroom saying he was pleased by Chin's ruling on bail but frustrated that government officials have yet to take responsibility for their lack of oversight into Madoff's operations.

Like Ambrosino, Goldworth would have liked to see Madoff go to trial.

"It's going to be less likely we'll be able to figure out who is involved," Goldworth said.

—mwinslow
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MOVIE TIMES

WEST PALM BEACH

Muvico Parisian 20

545 Hibiscus St., 833-0400

Miss March (R) 12:40, 3, 5:20, 7:40, 10, 12:20

Race to Witch Mountain (PG)

11:30, 12:30, 2:05, 3:05, 4:40, 5:40, 7:15, 8:15, 9:50, 10:50, 12:25

The Last House on the Left (R)

11:15, 1:20, 2, 4:05, 4:45, 6:50, 7:30, 9:35, 10:15, 12:15, 12:50

Watchmen (R) 11:10, 12:40, 1:20, 2, 2:40, 4:10, 4:50, 5:30, 6:10, 7:40, 8:20, 9, 9:40, 11:10, 11:50, 12:30

Fanboys (PG-13) 12, 2:25, 4:50

Street Fighter: The Legend of Chun-Li (PG-13) 7:20, 9:50, 12:20

Tyler Perry's Madea Goes to Jail (PG-13) 12:20, 1:15, 2:50, 3:45, 5:20, 6:15, 7:50, 8:45, 10:20, 11:15, 12:50

Confessions of a Shopaholic (PG) 11, 1:30, 4:05, 6:40, 9:15,

11:50

Friday the 13th (R) 12:40, 3:05, 5:30, 7:55, 10:20, 12:45

The International (R) 1:10, 4, 6:50, 12:15

He's Just Not That Into You (PG-13) 1, 4:05, 7:10, 10:15

Push (PG-13) 9:40

Taken (PG-13) 12:05, 2:30, 4:55, 7:20, 9:45, 12:10

Paul Blart: Mall Cop (PG)

12:20, 2:45, 5:10, 7:35, 10, 12:25

Slumdog Millionaire (R) 12:50, 3:40, 6:30, 9:20, 12:10

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