

Bernard Madoff gets maximum 150 years in prison

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Suicide Watch Ordered for Wall Street Swindler

NEW YORK (AP) -- Convicted Wall Street swindler Bernard Madoff was sentenced to 150 years in prison Monday for a fraud so extensive that the judge said he needed to send a message to potential imitators and to victims who demanded harsh punishment.

Scattered applause and whoops broke out in the crowded Manhattan courtroom after U.S. District Judge Denny Chin issued the maximum sentence to the 71-year-old defendant, who said he lives "in a tormented state now, knowing all the pain and suffering I've created."

Chin rejected a request by Madoff's lawyer for leniency and said he disagreed that victims of the Ponzi scheme were seeking mob vengeance.

"Here the message must be sent that Mr. Madoff's crimes were extraordinarily evil and that this kind of manipulation of the system is not just a bloodless crime that takes place on paper, but one instead that takes a staggering toll," Chin said.

The judge said the estimate that Madoff has cost his victims more than \$13 billion was conservative because it did not include money from feeder funds.

"Objectively speaking, the fraud here was staggering," he said.

Chin announced the sentence with Madoff standing at the defense table, wearing a dark suit, white shirt and a tie, and looking thinner than his last court appearance in March. He gave no noticeable reaction when the sentence was announced.

He also showed no emotion earlier in the hearing as he listened to nine victims spend nearly an hour describing their despair. Some openly wept. Others raised their voices in anger.

"Life has been a living hell. It feels like the nightmare we can't wake from," said Carla Hirshhorn.

"He stole from the rich. He stole from the poor. He stole from the in between. He had no values," said Tom Fitzmaurice. "He cheated his victims out of their money so he and his wife Ruth could live a life of luxury beyond belief."

Dominic Ambrosino called it an "indescribably heinous crime" and urged a long prison sentence so "will know he is imprisoned in much the same way he imprisoned us and others."

He added: "In a sense, I would like somebody in the court today to tell me, how long is my sentence?"

When asked by the judge whether he had anything to say, Madoff slowly stood, leaned forward on the defense table and spoke in a monotone for about 10 minutes. At various times, he referred to his historic fraud as a "problem," "an error of judgment" and "a tragic mistake."

He claimed he and his wife were tormented, saying she "cries herself to sleep every night, knowing all the pain and suffering I have caused," he said. "That's something I live with, as well."

He then finally looked at the victims lining the first row of the gallery.

"I will turn and face you," he said. "I'm sorry. I know that doesn't help you."

Afterward, Ruth Madoff -- often a target of victims' scorn since her husband's arrest -- broke her silence by issuing a statement through her lawyer. She said she, too, had been misled.

"I am embarrassed and ashamed," she said. "Like everyone else, I feel betrayed and confused. The man who committed this horrible fraud is not the man whom I have known for all these years."

Prosecutor Lisa Baroni said Madoff deserved a life sentence because he "stole ruthlessly and without remorse."

The jailed Madoff already has taken a severe financial hit: Last week, a judge issued a preliminary \$171 billion forfeiture order stripping Madoff of all his personal property, including real estate, investments and \$80 million in assets Ruth Madoff had claimed were hers. The order left her with \$2.5 million.

The terms require the Madoffs to sell a \$7 million Manhattan apartment where Ruth Madoff still lives. An \$11 million estate in Palm Beach, Fla., a \$4 million home on Long Island and a \$2.2 million boat will be put on the market, as well.

Before Madoff became a symbol of Wall Street greed, he earned a reputation as a trusted money manager with a Midas touch. Even as the market fluctuated, clients of his secretive investment advisory business -- from Florida retirees to celebrities such as Steven Spielberg, actor Kevin Bacon and Hall of Fame pitcher Sandy Koufax -- for decades enjoyed steady double-digit returns.

But late last year, Madoff made a dramatic confession: Authorities say he pulled his sons aside and told them it was "all just one big lie."

Madoff pleaded guilty in March to securities fraud and other charges, saying he was "deeply sorry and ashamed." He insisted that he acted alone, describing a separate wholesale stock-trading firm run by his sons and brother as honest and legitimate.

Aside from an accountant accused of cooking Madoff's books, no one else has been criminally charged. But the family, including his wife, and brokerage firms that recruited investors have come under intense scrutiny by the FBI, regulators and a court-appointed trustee overseeing the liquidation of Madoff's assets.

The trustee and prosecutors have sought to go after assets to compensate thousands of burned victims who have filed claims against Madoff. How much is available to pay them remains unknown, though it's expected to be only a fraction of the astronomical losses associated with the fraud.

The \$171 billion forfeiture figure used by prosecutors merely mirrors the amount they estimate that, over decades, "flowed into the principal account to perpetrate the Ponzi scheme." The statements sent to investors showing their accounts were worth as much as \$65 billion were fiction.

The investigation has found that in reality, Madoff never made any investments, instead using the money from new investors to pay returns to existing clients -- and to finance a lavish lifestyle for his family.

In bankruptcy filings, Trustee Irving Picard say family members "used customers accounts as though they were their own," putting Madoff's maid, boat captain and house-sitter in Florida on the company payroll and paying nearly \$1 million in fees at high-end golf clubs on Long Island and in Florida.

Picard has sought to reclaim ill-gotten gains by freezing Madoff's business bank accounts and selling legitimate portions of his firm. (Its season tickets for the Mets went for \$38,100.) He's also sued big money managers and investors for billions of dollars, claiming they were Madoff cronies who also cashed in on the fraud.

The defendants include leading philanthropists Stanley Chais and Jeffrey Picower -- from whom Picard is seeking at least \$5.1 billion alleged to have come out of victims' pockets -- and hedge fund manager J. Ezra Merkin. All have denied any wrongdoing.