

Antisemites feast on Madoff misery

The fall of the Wall Street manager after an alleged \$50bn fraud has delighted racists across the nation – and dismayed Jewish philanthropists as charities are forced to shut down



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It has been a fertile financial week for bigots. The astonishing scale of corruption allegedly unmasked at the offices of Wall Street fund manager Bernie Madoff has caused disproportionate pain in the Jewish community, prompting unedifying sneers on the blogosphere.

Madoff, who is thought to have lost \$50bn of assets, recruited many of his private clients through informal social networks in New York, Florida and Los Angeles.

The sense of disappointment and betrayal is palpable – particularly among Jewish philanthropic organisations. Several charities have had to shut their doors overnight, including the Lappin foundation, which funded trips to Israel for children, and the Chais Family Foundation, which supports educational and health-related projects.

The Los Angeles-based Jewish Journal noted that the saga gave "ammo to antisemites everywhere" and highlighted mocking comments posted on a popular financial website, Dealbreaker. Another Jewish blogger, Tvzee's Talmudic Blog, complained that he had had to "moderate out many racist comments" after writing about Madoff.

The wrecking impact of Madoff's fraud on Jewish philanthropy has a broad impact which extends far beyond any single religious community. Gary Tobin, president of the Institute for Jewish and Community Research in San Francisco, reckons Jewish philanthropy in the US is worth about \$5bn annually.

The money is spent on everything from poverty relief to educational initiatives, bridge-building between religions and community centres – which are open to people from any faith.

"I know the antisemitic websites are picking this up – they love Jewish cabals and conspiracies," says Tobin. "But for most of the world, the antisemitic reaction will be minimal. This is a philanthropic and charitable tragedy – it's more sad than anything else."

The Wall Street Journal noted that older Jewish investors put so much faith in Madoff that they jocularly nicknamed him "the Jewish bond". Lawyers for Madoff's victims say that in a close-knit community, people put a disproportionate amount of trust in a small number of individuals. Ross Intelisano, a class-action lawyer based in New York, says: "We've been talking to a lot of direct investors. This is a rare case in which a lot of investors we've spoken to had all their money with one firm."

Many have lost everything overnight. Arnold Sinkin, a retired carpet-fitter in Florida, lost the nest egg of nearly \$1m he built up with his wife, Joan.

"We started out by giving \$5,000 to him [Madoff] in the 1970s," said Joan Sinkin. "At

the time, \$5,000 for us was really a huge amount. I think we probably had about \$1.75 left in the bank once we'd given it to him."

The septuagenarian couple's retirement planning crashed to earth when Madoff's alleged fraud materialised last week. They will be selling their apartment in New York City and relying on their children for financial help.

On an institutional level, the impact goes far beyond any single community. Banks as far afield as Japan, Switzerland and Spain are suffering Madoff-related losses, not to mention Britain's HSBC and Royal Bank of Scotland. Even Hampshire County Council somehow managed to stick part of its pension fund in Madoff's business (although everybody says he was choosy about whose money he accepted).

In New York, one secular charity destroyed by Madoff's apparent corruption is the JEHT Foundation, which stands for "justice, equality, human dignity and tolerance". Since 2000, the charity has promoted reform of the criminal justice system to try to reduce the rate of incarceration in the US, handing out \$25m to \$30m annually.

The funds of JEHT's donors, Jeanne and Kenneth Levy-Church, were managed by Madoff and have evaporated overnight. The foundation's director, Robert Crane, has the shattering task of shutting down the charity.

"We're going to cease existence at the end of January," Crane told me. "All of our 24 people will lose their jobs."

It's a pretty dismal situation – and Madoff ought to be ashamed.

"It's devastating not only for us but for the people we support," says Crane. "In the areas we operate, there aren't a huge number of other funds, which makes the impact even worse."