

# Walter Mosley on America's Obsession with Crime

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Everybody is guilty of something. This is a truism of the West. It goes all the way back to Cain and original sin and has been a central topic of discourse among members of society from the construction of the laws of ancient Rome, through the Inquisition, into the Jim Crow system of the South (and North), stopping to wallow in the culture of the Soviet Union, and going right to the rotted heart of the race laws of Nazi Germany.

In 2,000 years of Western civilization we have been guilty of heresy, perversion, theft, and murder; of fighting and refusing to fight; of loving, lusting after, and sometimes just looking. We have been guilty of speaking out and keeping silent, of walking, marching, and running away. We have been found culpable for following orders and for refusing to follow them, for adultery, child endangerment, sexual harassment, and elder abuse. We have also been guilty of our religion, national origin, skin color, sexual preference, gender, and, now and then, of the blood in our veins.

Guilt is the mainstay of who we are and how we are organized, and is, seemingly, our undeniable destiny, along with Death and Taxes.

Our relationship with guilt is as old as the DNA that defines our species. But the nature of culpability changes with technology and technique. These changes affect the way we see the world and the way we seek to understand our predicament. True-crime stories, murder mysteries, up-to-the-minute online news reports, and (as always) rumor and innuendo grab our attention faster than any call for justice, human rights, or ceasefires.

This is because most of us see ourselves as powerless cogs in a greater machine; as potential victims of a society so large and insensitive that we, innocent bystanders in the crowd, might be caught at any time in the crossfire between the forces of so-called good and evil.

Because of this vulnerability we have questions that need to be answered to ensure our safety. One such question is, what would happen if ...? What if you saw a man shoot somebody? Should you tell the police? Would they protect you from murky vengeance? You saw a true-crime TV show once that profiled a man who identified a murderer and was himself murdered for giving evidence. Would you be guilty of being stupid for doing what you were taught was right?

Another question is, is it safe? Is it safe for you to walk the streets, drink the water, fly on commercial airliners, speak to an attractive stranger, to believe the words of political, religious, corporate, and social leaders?

In smaller societies we worked side by side with leaders, wealthy property owners, and local ministers. Face-to-face meetings and friendly gossip gave us at least the illusion of understanding where we stood and what was right. But today the working urban dweller gets all this information from TV and computer screens ... and so often, we know, the media misinform.

The feeling of being lied to brings about a hunger for truth. We want to know if the man on death row was really guilty. Were there actually WMDs in the hills of Iraq? Are people being tortured, and am I morally responsible for my government's actions?

In order to answer these questions we first turn, with a mistrustful eye, to objective opinion sources. Editorials in newspapers and magazines, talk shows and news programs, public radio, blogs, and (because there's just too much for one person to read, listen to, and view) friends who have gleaned information from other impartial venues.

But even as we take in the information shoveled out at a stupendous rate from dozens of different sources, we begin to worry. Who owns the news? How do bloggers pay their rent? Why, in spite of what I'm being told, is the economy, and the world in general, getting worse?

This dissatisfaction brings us to fictional accounts. Crime shows, mysteries, and films speak to the bystander in a dangerous world. These forms of entertainment corroborate

our feelings of distrust and allow us to think about how we might fit into a world that wouldn't even be aware of us getting crushed under its collective weight.

Fiction, better than reality, gives us heroes who can't let us down, who cannot be arrested, convicted, or vilified. Maybe these stories won't be able to resolve our dilemmas in the real world, but they can offer escape through a fantasy where even a common everyday Joe (or Jane) can be saved.

This salvation has always been our goal. Forgiveness for our sinful desires and secret trysts, for our failures and broken commandments, for our weakness beside the machine that covers the world with its cold, gray shadow.

This is why we have TV psychologists and mother substitutes, confessionals and paparazzi. On the one hand we're looking for deliverance, and on the other we seek to show how even the rich and famous are flawed.

We need forgiveness and someone to blame. So the story of crime fills our TVs, theaters, cinemas, computer files, and bookshelves. We are fascinated with stories of crime, real or imagined, because we need them to cleanse the modern world from our souls.

# How Bernard Madoff Did It

(New York Book Review)

*By LIAQUAT AHAMED*

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Ever since the Madoff scandal broke in December 2008, the public has been morbidly fascinated by the affair. How had so ordinary a man pulled off the largest swindle in history? How had he gotten away with it for so long? Then there were the casualties. In contrast to so many other financial scandals of the last 20 years, those who lost money this time were not just impersonal institutions — they were real people. And what a spectrum of the world: Jewish philanthropists from the Upper East Side; almost half the membership of the Palm Beach Country Club; rich South Americans; retired accountants living in Florida; the demimonde of Monaco; even, it was whispered, figures from the Russian mafia and the Colombian drug cartels. Some of us could imagine ourselves among the victims; others found a certain voyeuristic pleasure in the financial travails of the rich and famous.

Finally the man himself and his family. Within days it became known that it was Madoff's own sons who had turned him in to the F.B.I. From the start, therefore, it was evident that we were witnessing an almost Sophoclean family tragedy. As for Bernie Madoff, what sort of man lay behind that sphinxlike smile, and how had he coped for so many years with the psychological pressure of living with such a gigantic falsehood? "The Wizard of Lies," by Diana B. Henriques, a senior financial writer for The New York Times, makes for riveting reading because it covers all these dimensions. And although there is much that we can never know, this book comes closer than others have to answering at least some of our questions.

Madoff's story has by now been told and retold many times, in newspapers and magazines, on television and in several books. After starting on Wall Street in the early 1960s, he built an apparently successful broker-dealer firm. As a side business he began managing money for other people, at first informally, for friends and family. His results were good but not spectacular. Most important, he never lost money (or so it seemed). How he generated these returns was always a mystery — he claimed to be offsetting the downside risks of his stock purchases by selectively using options to hedge the portfolio. But the very secrecy added to his mystique. Through word of mouth he soon began attracting outside investors, spawning a cottage industry of various types of feeder funds that channeled assets his way.

At some point (no one is quite certain when; Madoff claims it was not until the early '90s, while Henriques believes it to have been earlier), after losing money, rather than come clean to his clients, he fudged the numbers, hoping to recoup the losses later and get back on track. Instead he ended up digging himself into an ever deeper hole. After a while, the chasm between what he claimed to investors and what was actually in their accounts became so deep that he stopped even bothering to invest the cash, relying on money from new clients to pay out fictitious returns to older clients — the classic Ponzi scheme.

Henriques has been reporting on Madoff since he was initially exposed and was the first reporter to be granted on-the-record interviews with him after his arrest and incarceration. She probably knows more than anyone outside the F.B.I. and the Securities and Exchange Commission about the mechanics of the fraud. As a consequence, in “The Wizard of Lies” she is able to add significant detail to the story.

To fool his investors and any regulators who happened to come sniffing around, Madoff built a Potemkin-like investment operation complete with traders at fake terminals pretending to buy and sell stocks and a bogus paper trail of transactions and accounting reports.

Ponzi schemes can survive only by growing — in fact by growing exponentially. Even a leveling off or a slight slowdown in the pace of money coming in can threaten the viability of the entire scam. Henriques reveals how the operation came close to falling apart on several occasions, first after the stock market collapse of 1987, then again during the recession of the early 1990s, and yet again after the tech bubble burst in 2000. Each time, just as Madoff's fraudulent enterprise seemed to be on the verge of breaking down, a new source of money was found.

Not everyone was duped. There were plenty of danger signals for those who cared to dig. The accounting firm Madoff employed to audit his books was a one-man operation run from an office park in the New York suburbs; the volume of option trading entailed by the amount of money he was supposedly managing would have far exceeded the capacity of the derivatives market; and the returns he claimed to be generating were far too steady and reliable to be plausible. The S.E.C. was alerted several times that something fishy was going on. But inadequately staffed as it was, it was never quite able to connect the dots. Henriques reveals how tantalizingly close the agency came time and again to uncovering the fraud. Many of Madoff's investors themselves suspected that he might be sailing close to the wind. But believing that if he was breaking the law it was at someone

else's expense, and fearing what they might bring to light, they chose not to delve too deeply.

In the end the story holds us not because of the engrossing details of the scam, but because of its human dimension. "The Wizard of Lies" begins by reconstructing the events of that grim week in December 2008 during which Madoff broke down and confessed to his wife, Ruth, and two sons that the shadowy investment advisory business he had been running on the side had for decades been a giant Ponzi scheme. It is a harrowing scene. His son Mark, who will later kill himself on the second anniversary of his father's arrest, is "blind with fury." The other son, Andrew, "prostrate," "slumps to the floor in tears"; at another point he wraps his arms around Madoff and tells him that what he has wrought upon them is "a father-son betrayal of biblical proportions." Henriques clearly does not believe that Ruth, Mark and Andrew were complicit in the extraordinary fraud. The family, like Madoff's clients, obviously chose not to ask too many questions about where all the money was coming from. But in Henriques's telling, they were not among the criminals, and she concludes with an impassioned challenge to the way they have been subsequently demonized.

A Ponzi scheme is the opposite of a perfect crime; detection is inevitable because eventually the numbers become unsustainable. Henriques paints a vivid picture of Madoff as this truth closes in on him in the last year of his operation. With client withdrawals accelerating and new investments drying up, as he scrambles to raise the impossibly huge amounts of money he needs to plug the hole, he finally realizes that the jig is up, and that it is only a matter of time before he will be destroyed. Madoff emerges here not as some master criminal, but as a sad, hapless man who, lacking the character to tell the truth at the critical moment, stumbled foolishly and blindly into one of the crimes of the century. He is less a personification of the crass greed that lay behind the recent bubble decade and more the embodiment of our infinite capacity for self-delusion.

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