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## THE \$50 BILLION FRAUD

# He robbed my kids of

### Jersey couple joins heartbreak list of Madoff clients who lost millions

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BERNIE MADOFF'S towering Ponzi scheme obliterated everything Roger and Diane Peskin ever owned, including the proceeds from the New Jersey house they sold just three weeks ago.

"He robbed my children of their future," Diane Peskin said yesterday of 13-year-old Jacob and 9-year-old Lily.

"He stole everything that we accomplished," added her husband. Roger Peskin founded the Gallery Guide, a magazine now known as the "bible of the art world." He sold it in 2004 for more than \$2 million and put all the cash into Madoff's seemingly steady hands.

Three weeks ago, the Peskins sold their house in Milford for \$910,000 and moved to Bethlehem, Pa., so they could be closer to their kids' prep school.

They poured the \$450,000 in proceeds into their account with Madoff, which is now likely worthless. Now they don't have the house, or the money from the house sale.

The couple have a mortgage on their new place, but in any case they can't afford to pay \$60,000 a year for their children's school.

"He robbed us of my past, the modest success that I had," said Roger Peskin, who grew up on Long Island. "I built up a business from nothing. And now, after all of this, he stole it."

"We're both pretty much still in shock," Diane Peskin said.

"We know we have to get jobs, but Roger's 65 years old. I'm 44 — I can still get a job — but I haven't worked in the workforce since I had my children."

The Peskins' story is one of hundreds of tales of woe that have surfaced following the collapse of

Madoff's \$50 billion Ponzi scheme.

"We are hearing from victims literally around the globe," said Mark Mulholland, a Long Island-based lawyer who filed a class-action suit on behalf of the Peskins and at least 50 other investors.

"The harm that's been caused is epic," Mulholland said.

Madoff's fund reported steady gains of about 1% a month for decades. He never reported huge profits — but virtually never had losses, even when the market plunged.

He was so secretive about his methods that a 2001 profile was titled "Don't Ask, Don't Tell."

Investors thought his fund was so reliable they called it "the Jewish bond."

"He had this polished, magnetic approach that made folks want to invest their money with him. Everyone wanted in," Mulholland said. "From time to time, he would also reject potential investors. That just made other folks even more keen on getting into the Madoff fund."

Madoff even claimed profits after the market meltdown in September, which should have been a warning to regulators and investors alike.

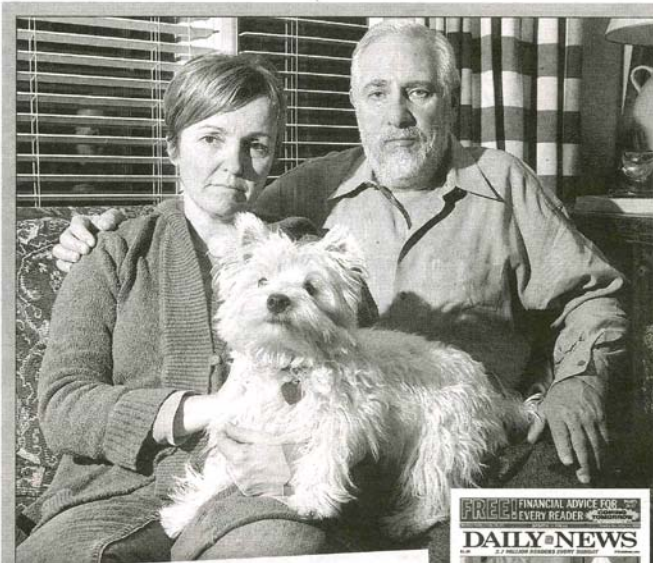
"A bell should have sounded," said Jerry Reisman, a New Jersey lawyer representing 10 investors who collectively lost \$60 million.

The Securities and Exchange Commission failed to root out Madoff's shenanigans and even ignored a 1999 warning about the fund.

A British investment fund that invested about \$31 million with Madoff slammed the government for "a systemic failure."

Europe's largest banks were among those worst hit. Spain's Santander alone lost \$3 billion.

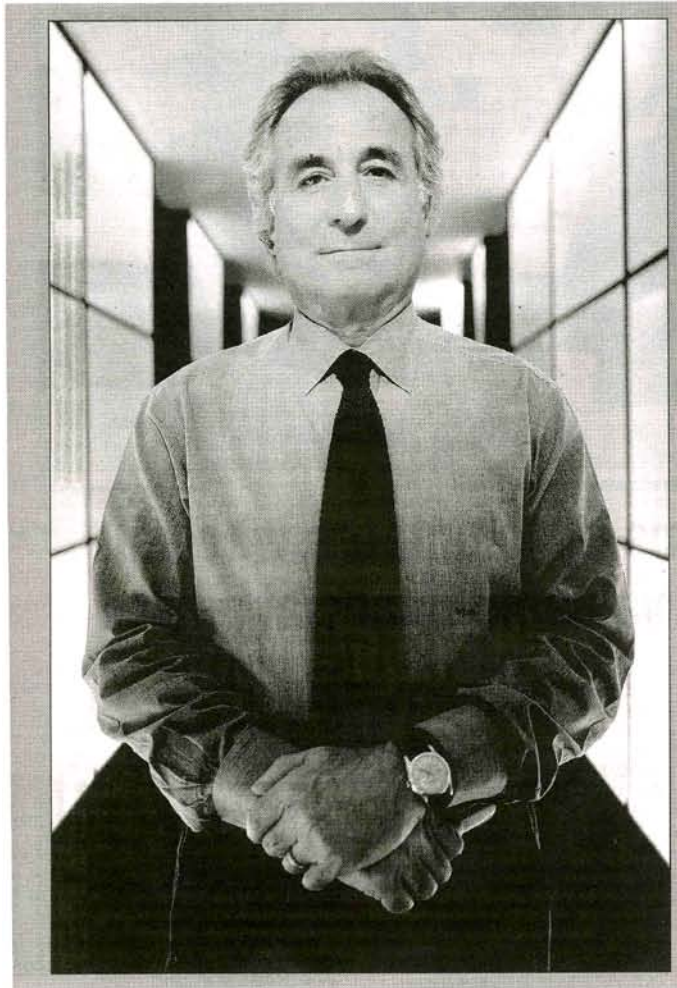
With Ryan Strong



Diane and Roger Peskin sold their N.J. home (l.) and invested nest egg with Bernie Madoff (r.), who has ruined many lives. Photos by Adam Richins; Jonathan Saunders (4)

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# their future



## of the American Dream

But these things never happen in a vacuum, not with bums like Madoff, allowed to run wild in a world of money without nearly enough transparency or regulation, until it is too late.

Maybe it can begin to change for the better under a new President. It was never going to change under George W. Bush, whose mission has always been to redistribute the wealth in a way that made rich Americans much, much richer.

"A country run by amateurs," the street vendor Don said yesterday.

There is an old line from Fay Vincent, the baseball commissioner who suspended George Steinbrenner for conspiring with a known gambler, Howie Spira. Steinbrenner paid Spira to get some dirt on Dave Winfield, for whom Steinbrenner had no use, and Vincent caught him doing

that and kicked him out of the game.

Vincent said at the time that Steinbrenner had heard no moral alarm because "none sounded."

**T**here was no moral alarm for Bernie Madoff as he systematically ruined fortunes and pension funds, and ultimately lives, and didn't get stopped until now. He is the biggest thief we know about, but only for now, because he is caught. You wonder how many more like him end up in orange jumpsuits before this is over.

Madoff was a huge figure on the grand, mythical place known as "The Street." But on another street yesterday, on his own corner of Fifth Ave., the old vendor from Bay Ridge shook his head.

"Fifty billion dollars," he said. "Everybody kept saying 'yes' to this guy, Madoff until the law told him 'no.'"