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LIJ among investors in \$50B scam

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The list of people and organizations that had invested money with accused swindler Bernard Madoff grew yesterday, and locally it included North Shore-Long Island Jewish Health Care System in Manhasset.

North Shore-LIJ, one of the largest health care systems in the region, said it invested \$5.7 million with Madoff, who has been charged with operating a \$50-billion Ponzi scheme.

North Shore-LIJ spokesman Terry Lynman said the \$5.7 million represented only 1 percent of the institution's portfolio, that the money "represented a contribution from a single donor, who stipulated that the funds be invested with Mr. Madoff," and that the donor, who was not identified, had agreed to reimburse the health system for the loss.

Also yesterday, a federal judge signed an order saying investors who may have been duped in the alleged scheme need the protection of the Securities Investor Protection Act of 1970. Judge Louis Stanton also directed that proceedings to liquidate the assets of Bernard L. Madoff Investment Securities Llc be moved to bankruptcy court.

The order was signed after the Securities Investor Protection Corp. submitted papers asking for the protection for investors. The corporation's Web site says it steps in to return customers' cash, stock and other securities "within certain limits," when a brokerage firm is closed because of bankruptcy or other financial difficulties and customer assets are missing.

Meanwhile, a spokesman for Hofstra University, from which Madoff graduated in 1960 and at which he was a trustee, said the school's board of trustees voted to place him on leave. "The

MONEY AT RISK



Bernard Madoff

Investment fund Fairfield Greenwich Group
\$7.5 billion in investments, more than half its total under management

Sen. Frank Lautenberg (D-N.J.)
Family's charitable foundation (undetermined amount)

Real estate magnate Mortimer Zuckerman
\$30 million of his charitable trust

New York Mets owner Fred Wilpon
Sterling Equities Inc. (undetermined amount)

Elie Wiesel Foundation
(undetermined amount)

HSBC Holdings Plc
\$1 billion in financing to funds that invested with Madoff

Nomura Holdings Inc., Japan's largest brokerage
\$302 million

Royal Bank of Scotland Group Plc
About \$600 million

KEEPING AN EYE ON YOUR FUNDS

Financial planners don't see problems for average consumers in the Madoff case unless their pension or 401(k) funds are invested in it, said Jack Chite, a certified financial planner in Sayville. Still, smaller investors are wise to conduct due diligence on advisers and investments.

- **CHECK 'EM OUT.** Research investment advisers and brokers at the Securities and Exchange Commission (sec.gov) and brokers and firms at the Financial Industry Regulatory Authority (finra.org.)
- **WHERE'S YOUR MONEY?** "If you are going to sign funds over, you want them held at a well-known institution," said Robert Goldberg, an investment manager in Manhattan and adjunct professor at Adelphi University.
- **GET FUND FACTS.** Read about mutual funds and their managers, as well as its main investment sector and top 10 holdings, in fund prospectuses available online.
- **HOW'S YOUR ADVISER PAID?** Ask for specifics, said Andrew Rich, a fee-only investment adviser in Plainview. Does the adviser's income come from fees you pay, from commissions for selling you certain investments, a combination?
- **DON'T BE PRESSURED.** You might want to look deeper if you get wine and dined and then experience the hard sell, Rich said.
- **THERE'S NO SURE THING.** "If it seems too good to be true, it probably is too good to be true," Goldberg said.
- **KNOW THE LANGUAGE.** "People need to understand what they're investing in," said Goldberg, and if your adviser makes "an art of making it difficult," find one who explains your investments clearly.

— PATRICIA KITCHEN

charges against Mr. Madoff have nothing to do with his role at the University," spokesman Stuart Vincent said in an e-mailed statement, "and the University is in no way involved in the dealings of Mr. Madoff's firm and has no investments of any type with the Madoff firm."

Other names surfaced yesterday as lawyers and government officials scoured through Madoff's records in search of what happened to \$50 billion, a fig-

ure that Mark S. Mulholland, of the law firm Ruskin Moscov Faltishek in Uniondale, said might be conservative. Mulholland is lead attorney in a class-action suit against the Madoff.

According to The Wall Street Journal, Madoff investors included the Elie Wiesel Foundation for Humanity and Steven Spielberg's Wunderkinder Foundation, a charity. Mortimer Zuckerman, a Manhattan real-estate magnate and owner of the New

York Daily News, said in a TV interview his charitable trust had invested with Madoff.

Jerry Reisman, an attorney with Reisman Peirez & Reisman in Garden City, which represents four of Madoff's investors, said concerns are rising among nonprofits on Long Island that have depended on sizable donations from wealthy people in the region. Madoff, 70, who at one time lived in Roslyn, has homes in Manhattan and in Montauk.

Madoff is accused of defrauding people through a scheme in which investors are paid off with investments from newer investors. Dan Horwitz, Madoff's attorney, did not return a call yesterday. He said last week that Madoff would "fight to get through this unfortunate event."

Staff writers Tom Incantalupo and Karla Schuster contributed to this story, which was supplemented with an Associated Press report.

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