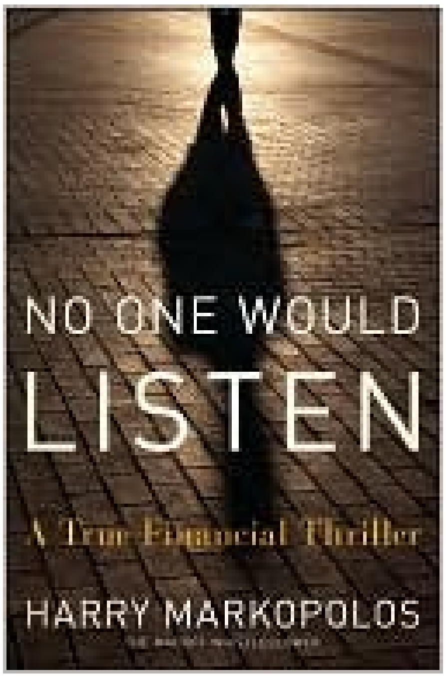

No One Would Listen

Harry Markopolos , David Einhorn (Foreword by)

No One Would Listen

Harry Markopolos , David Einhorn (Foreword by)

No One Would Listen Harry Markopolos , David Einhorn (Foreword by)
No One Would Listen is the thrilling story of how the Harry Markopolos, a little-known number cruncher from a Boston equity derivatives firm, and his investigative team uncovered Bernie Madoff's scam years before it made headlines, and how they desperately tried to warn the government, the industry, and the financial press.

Page by page, Markopolos details his pursuit of the greatest financial criminal in history, and reveals the massive fraud, governmental incompetence, and criminal collusion that has changed thousands of lives forever-as well as the world's financial system.

The only book to tell the story of Madoff's scam and the SEC's failings by those who saw both first hand Describes how Madoff was enabled by investors and fiduciaries alike Discusses how the SEC missed the red flags raised by Markopolos

Despite repeated written and verbal warnings to the SEC by Harry Markopolos, Bernie Madoff was allowed to continue his operations. *No One Would Listen* paints a vivid portrait of Markopolos and his determined team of financial sleuths, and what impact Madoff's scam will have on financial markets and regulation for decades to come.

No One Would Listen Details

Date	:	Published January 29th 2010 by Wiley
ISBN	:	9780470625767
Author	:	Harry Markopolos , David Einhorn (Foreword by)
Format	:	ebook 376 pages
Genre	:	Nonfiction, Business, Economics, Finance, History, Audiobook

From Reader Review No One Would Listen for online ebook

Nathan Schrock says

Apparently as a 12yo kid in 2008 I was oblivious to the news, so I didn't even know that the Madoff scheme occurred during my lifetime. Markopolos tells the story in a fascinating way, giving good layman's explanations of stock-exchange terms like "front-running" or "split-strike conversion", but without getting bogged down trying to explain how the stock market works. As a dude with next to no knowledge of stocks, hedge funds, and capital markets, I understood Markopolos' explanation of Madoff's scheme, so I'd say it was a win. ?

But the book really focused less on Madoff and more on Markopolos' struggle with the Security and Exchange Commission. Markopolos literally knew Madoff was a fraud years before he was caught, but the SEC wouldn't do anything about it. Of course, Markopolos only tells one side of the story, but it's a fairly well documented, condemning story for the SEC. Great book, and I recommend the narration by Scott Brick.

James says

This should have been a good book, but the author is so repetative and egotistic that the 300+ pages should have been reduced to about 50.

The author fails to discuss quite a few interesting aspects of the case and leaves a person wondering about so many things.

After reading the book I went to Wikipedia and found much more interesting information with 5% of the words.

http://en.wikipedia.org/wiki/Madoff_i...

http://en.wikipedia.org/wiki/Bernard_...

http://en.wikipedia.org/wiki/Recovery...

The quoted sections below are from wiki.

The author ignores Madoff's last and perhaps greatest coup,
he had his sons turn him in to the FBI,
that way it'd look like they weren't involved in the fraud.

For instance:
"Andrew Madoff deposited almost $1 million into his accounts and withdrew $17 million;
Mark Madoff deposited $745,482 and withdrew $18.1 million"

"Mark and Andrew Madoff withdrew more than $35 million from a small original investment."

And: "Madoff did not plea bargain with the government.

Rather, he pleaded guilty to all charges.
It has been reported that he did so because he refused to cooperate and name any conspirators"

"In settlement with federal prosecutors, Madoff's wife Ruth agreed to forfeit her claim to US$85 million in assets,
leaving her with $2.5 million in cash"

"Massachusetts regulators also accused her of withdrawing $15 million from company-related accounts shortly before he confessed"

Why should she be able to keep $2.5 million when so many lost so much?

And who really lost money?
Using rule of 72, if a person draws out annual earnings for 6 years they have their original investment back.

"About half of Madoff's investors were "net winners," earning more than their investment."

"about $36 billion was invested into the scam, returning $18 billion to investors, with $18 billion missing"

Where did it go?

The hedge funds that fed the money to Madoff probably took 30% or more of the missing money, but this question isn't addressed.

Finally, at the end his gives an internet site that has victims statement and promising much more, but when you go there,
it's run by the publisher and is just a plug to buy the book with 6 internet book sellers hot linked.

Kim says

Part crime story part indictment of the U.S. government, this book tells the story of a few investment specialists who determined that Bernie Madoff was running a multi-billion investment scam, but also how they handed the story to the Securities and Exchange Commission (SEC) and various journalists with barely any attention given to the story.

Harry Markopolos is a math geek, slightly OCD, and what is known in the investment industry as a "quant", someone who studies the statistics and patterns of various stocks and bonds and then designs investment products for investment firms.

Working in Boston, some 200 miles from the financial center of the world in New York City, Markopolos first ran into the investment company being run by Madoff when he started being nagged by a manager to design a product that was as attractive to investors as what Madoff was offering. Madoff was a former chairman of NASDAQ and founded the investment company Bernard L. Madoff Investment Securities LLC in 1960. When he came to Markopolos' attention his firm was running an investment program that consistently earned 1% per month returns, with the investments supposedly increasing in a nearly straight upward line. He claimed that over several years his firm lost money for clients in only three months.

This is, basically, impossible. If you look at any stock graph the graph will always go through periods of increase and decrease, even on a single day. The objective is to earn money over an extended period of time, with losses and increases along the way. He was claiming to outperform all stock exchanges and all other investment firms in existence,

Markopolos, with several friends, began to investigate how Madoff managed this. Even with stocks Madoff was claiming to buy and sell they couldn't figure out a way to match the performance. It finally became clear that Madoff was involved in one of two illegal activities. He was "front running", or basically buying based on illegal insider information, or he was running a Ponzi scheme, where he would pretend to invest but was actually paying dividends to older clients by using the money from new investors. Imagine a friend gives you $10 to invest. Instead of investing you get another $10 from another friend. You don't invest that either, but you pay your first friend a "dividend" from the second 'money. The more people who get excited about the program the more successful you can pretend to be. Madoff was doing this, but was requiring a minimum investment of $1,000,000 from new clients. He took money from individuals and companies from all over the world.

Markopolos took evidence to the SEC (the federal agency that is supposed to protect investors) three times. The SEC went to Madoff and asked some basic questions, decided that he was doing nothing wrong without even looking at the bookkeeping, and left. Usually with the investigators asking if they could leave a resume with Madoff.

Things finally fell apart in 2008 during the housing bubble. People were suddenly facing financial troubles and began trying to withdraw their money out of Madoff's company. The money wasn't there. Madoff told his sons that the company was a sham and they went to the FBI the next day. By then Madoff had taken around $65-billion from his investors. People lost their life savings, some investors committed suicide.

Markopolos details his attempts to get the attention of the authorities for several years, often fearing the Madoff might hire someone to kill him. He found the SEC to be poorly staffed with people who didn't understand business. They were underpaid, and the SEC refused to pay for basic news like the Wall Street Journal (they had to pay for it out of their own salaries). None of the offices were equipped with either research books or Bloomsburg terminals (a computer system that tracks stocks and investments, available in every investment office) because of the expense.

Markopolos closes the book with a description of his own testimony to Congress, as well as personal stories by some who lost everything and suggestions for changes in government regulators.

It can be a scary read for anyone, even if you don't invest in stocks yourself but are hoping to rely on a pension at retirement, as many of those pension funds invest with companies not entirely unlike Madoff's.

Danielle says

I'm not remotely interested in financial intrigue, but I saw this guy on Jon Stewart and he was just so mad that I had to pick up the audio book. It was a delightful listening experience - the financial details were made so easy to understand. The book also uses the real audio clips from the Congressional hearings into the SEC and Madoff, which makes for an exciting listen.

Randy says

Harry Markopolous was a "quant" mathematician with a hedge fund in Boston in the late 1990s. His supervisor came to him with the results from a secret, unregistered management fund ran by the former chairman of NASDAQ, and asked him to devise a product that could compete with that fund's returns. Markopolous did the math and realized that Bernard L. Madoff was a fraud. He gathered up as much information as he could, then reported the matter to the SEC--in 1999. Markopolous and three other men spent the next several years investigating Madoff on their own, albeit with the support of their employers. Markoplous submitted the matter to the SEC four more times, each time with more detail than in the previous submission. The Boston SEC field office was concerned, but it followed protocol and turned the case over to the New York office, which failed to pursue it. Markopolous was written off as a nut, and it's easy to see in the book how he might have come off that way. However, he gave the SEC hard numbers and mathematical analysis explaining why Madoff's returns were impossible. Despite Markapolous's whistleblowing, it was Madoff himself who admitted the fraud after he saw that he would soon run out of money because there were not enough new investors coming into the scheme to pay absurd returns to current investors and the feeder funds that sent Madoff money. The red flags of a Ponzi scheme were all over the place. Indeed, Markopolous set out all of the red flags explicitly in one of his submissions to the SEC. Markopolous and his team discovered during the course of researching Madoff that probably hundreds of other Wall Street players believed Madoff was a fraud, yet failed to report him, probably because they did business with the funds that pumped money into the Ponzi scheme or because they didn't want to cross a powerful Wall Street icon like Madoff.

Markopolous is justifiably angry at the SEC for failing to heed his warnings and for transforming itself from an agency that ensured a level playing field on Wall Street on behalf or we the people into an advocate for, and protector of, the industry it was supposed to regulate. More recently, we have seen this same seen this same kind of transformation with the mine safety regulators and the Minerals Management Service, which failed us as to BP with potentially devastating consequences to the ecosystem a few miles from my house. To my mind, this collusion of regulators and industry is an issue that transcends partisan politics. These federal agencies exist to ensure that the markets work fairly and efficiently, and that the worst case scenarios of potentially dangerous practices never come to pass. There has always been bipartisan support for the kinds of regulatory agencies that have failed us so terribly in the past couple of years; now even that does not appear to be a given.

"No One Would Listen" is a book that anybody concerned about corruption on Wall Street and the cooption of federal regulatory agencies should read.

---

erin says

Interesting but terribly written

I was curious to learn more about this story, and this book did the trick, but the whole time I was frustrated by the poor writing. So many "really"s, "very"s, and things like, "They are so lame, they couldn't ______ a ______ in ______" (catch/cold/winter, find/steer/a stampede, find/steak/an Outback, find/batter/a batter's box, etc.). Markopolos repeats stories and tells over and over his reasoning for various choices he made. It feels like he is filling in space because he just didn't have enough for a whole book without the repetition. Honestly, it's like he didn't have an editor!

Another noticeable feature was Markopolos' arrogance. He's obviously a brilliant guy and the SEC is remarkably incompetent. But he is also that guy who goes through life drawing a very sharp lines between who is smart and stupid, and who is ethical and immoral (guess which categories he places himself in) and this book was his chance to share these judgments with the world as much as it was for him to tell the Madoff story. He tells his story in such a smug way. There is some justification for his self-importance, given the circumstances, but a little humility would have gone a long way with me. I was often distracted from the story so I could think to myself, "Man, I really don't like this guy."

In all, worth the read to hear the whole story, but be prepared that you might feel like you are reading the diary of a smart but arrogant and socially awkward middle school boy. I wish he would have gotten Michael Lewis (or Jon Krakauer!) to write his story for him.

Terri says

This is a terrible book. I have respect for the fact that Harry Markopolos and his team figured out that Madoff was running a ponzi scheme in 1998. That's impressive. I think the process by which they came to this conclusion is very interesting. The book, however, is poorly written. Markolpolos's hyperbole makes many chapters hard going and his many digressions (about offering to buy his wife a boob job for an engagement gift or about a friend's sailing accident) bog down the story and feel like filler. Every time he shares his approach to the SEC or newspapers or anyone, I find myself more sympathetic for why they didn't listen to this guy. He understands mathematics, but he certainly doesn't understand people. Given the facts, it is very clear that the SEC fell down on the job in this case, but I totally get why they didn't listen to this insulting, bombastic "whistleblower." I am glad I checked this out of the library rather than buying it.

I would love to read this same account written by a journalist or other third party biographer with solid fact checking and better writing.

Lobstergirl says

I already knew much of the Madoff story, having read articles and a book on it, and watched Harry Markopolos's congressional testimony. But *No One Would Listen* was still a gripping read, as Markopolos and his "team" of fellow derivatives experts tried to figure out over the span of a decade how Madoff's secret hedge fund was getting the returns it was getting with almost zero volatility, and tried repeatedly and unsuccessfully to get the Securities and Exchange Commission to pay attention. Markopolos's writing style is pleasant and engaging and the story really does unfold like a thriller, albeit one where everyone is a geek wearing pocket protectors. He is susceptible to a certain folksiness: "If blank looks were dollar bills I would have walked out of that room a rich man." (On his first meeting with an SEC lawyer.) On his Chinese wife: "We got engaged the old-fashioned way. She gave me a deadline and told me if we weren't engaged by that date I was history." (Following this is a silicone breast implants anecdote which should have been edited out.) Toward the end of the book in particular, the metaphors are laid on fast and thick: the SEC couldn't find ice cream in a Dairy Queen....couldn't find a batter in the batter's box....couldn't find a steer in a stampede....couldn't find their asses in the dark with two hands (maybe that came from a member of Congress)...

In a book filled with astonishing and dismaying revelations, two rather small but significant ones struck me: 1) the SEC had no publications budget. If employees wanted subscriptions to the *Wall Street Journal* or anything else, they had to pay for it themselves. And the WSJ would be among the cheapest publications they might want; hedge fund newsletters, like the one which ran an admonitory article on Madoff in 2001, would run $1,000/year or more. SEC employees needing to do research on derivatives they knew nothing about would have to turn to internet search engines. And 2) the SEC did not buy its employees business cards. If they wanted them, they had to pay for them. So after an SEC audit, the auditor could not turn to a Wall Street trader, analyst, or manager and say, "Here's my card. Please call me if there's any fraud you want to discuss privately."

Typos: Six times, *principal* is spelled *principle*. And the name of Marc Rich is misspelled.

Appendices contain the 2001 hedge fund newsletter article by Michael Ocrant, a member of Markopolos's team, and Markopolos's 2005 submission to the SEC.

Dianne says

There are two main themes to this true tale of crime on Wall Street; the inability of the SEC to identify Ponzi schemes and the importance of whistleblowers to the running of a corporation. Bernie Madoff stole 65 billion dollars from investors all over the world many of whom were his close friends. They trusted Madoff to keep their money in safe investments all the while he wasn't making any trades with these funds. The fact that each investor had to swear secrecy to Bernie ought to have been a warning that something was not right. Ironically he turned himself in when the nation went into a financial crisis in 2008 and he wasn't able to find new people to keep the con going. Interestingly the big banks were aware of Madoff's operation and steered their clients clear of him yet they never exposed him. The author of No One Would Listen is Harry Markopolos the leader of a small team of finance whizzes who gathered the facts, presented them to the SEC but were ignored. I liked this book almost as much as a similar type of crime story The Paradise Conspiracy which tells of corruption involving the bankers of New Zealand twenty years ago.

David says

Harry Markopolos is seething with anger. You realize this by chapter two, and by midway through the book, he has fully given vent to his rage and contempt. If his version of events is correct, he has good reason. His anger is particularly directed at the SEC, which he repeatedly calls inept, incompetent, ineffective, inefficient, unqualified, corrupt, and just about every other insult he can think of, sometimes even descending to schoolyard zingers. But he also indicts the entire financial industry, which basically knew what Bernie Madoff was doing long before his scheme collapsed and nearly brought down the economy with it.

The short version, for those who only vaguely remember Bernie Madoff as a big Wall Street con-man: for many years (from the 90s to 2008), Madoff, a "financial wealth manager," ran a huge Ponzi scheme in the form of a hedge fund. He promised a 1% rate of return every month. *Every* month. Without fail. As Markopolos points out, this is essentially impossible. No fund, no investor, no financial analyst, can run a portfolio that **never** has a down month for ten straight years. Yet Madoff did it, and this incredible rate kept the money flowing in. He had the backing of large banks. It turned out later that entire funds were basically invested 100% in Madoff's fund. There was a huge amount of overseas investment from Europe, the extent of which we'll never know because much of it was money being invested by organized crime and rich tax evaders.

It was all a Ponzi scheme. Madoff was never investing anything. He was just taking money from new suckers and using it to pay returns to old suckers. It worked until the financial crisis of 2008, when suddenly his investors needed their money and he couldn't pay them all.

Ponzi schemes are nothing new on Wall Street, of course, but the sheer scale of Madoff's scheme is what made it remarkable. There were hundreds of billions of dollars invested in him, and when he went down, it was mostly rich people who lost their shirts, but not a few individual investors who'd invested their retirement savings with him. Pension funds were also destroyed. As a member of New York's wealthy Jewish community, he was trusted by everyone in that community and so he also shamelessly looted synagogues from New York to Florida.

Madoff, who is now serving life in prison without the possibility of parole, has in many respects done more damage to America, and the world, than Osama Bin Laden ever did.

How did he get away with it? A combination of trust, ineptitude, and greed.

Harry Markopolos was a small fish on Wall Street. He was a financial analyst for a Boston firm. He first became aware of Bernie Madoff when his bosses asked him to come up with a financial product that could compete with Madoff. All of their clients were looking at Madoff's returns and asking why they couldn't do the same thing.

(Incidentally, one of the things I find particularly telling about Wall Street is how all sorts of bizarre, complicated, and downright fraudulent investment schemes are called "products" - as Markopolos points out, anyone can create a "product" that you can get someone to invest in. People can invest money in your "product" that is based on trading according to the tides and astrological signs.)

Markopolos began looking at Madoff's fund, and the numbers didn't add up. The more he studied it, the more he became convinced that something fishy was going on.

It turns out that Markopolos wasn't the only one, though he was the only one who made a thorough, documented study of Madoff. Basically everyone knew that Madoff was running some sort of scheme, but *they were okay with it* as long as it kept paying them off. Most people did not think Madoff was running a Ponzi scheme - they thought he was doing something called "front running," which is a complicated form of short-term "insider trading" that is technically illegal but almost impossible to catch.

Markopolos went to the SEC, multiple times, and each time the SEC blew him off. When the SEC finally investigated Madoff after he confessed to his sons what he was doing, it was far too late.

Harry Markopolos, who spent years being the boy who cried wolf in the eyes of Wall Street and the government, finally got his vindication, and he describes the utter delight he felt as Congress raked the SEC over the coals in the wake of Madoff's downfall. He ends the book was a set of prescriptions for reforming the SEC. As far as I can tell, very few of these have been implemented. All the SEC officials in charge at the time have resigned and "moved on to other opportunities," of course, but no one was fired, or went to jail (except Madoff), and the SEC of course made a lot of noise about reform and reorganization, but I have little confidence that anything has really changed.

The problem here is that while Markopolos, in his book, walks us through the reasoning he used and the evidence he gathered to prove Madoff was running a Ponzi scheme, it's not immediately obvious and intuitive to anyone except a financial analyst who's good with math. Markopolos had to convince people by showing them graphs, charts, and spreadsheets. The evidence was there, but as long as Madoff could confront his accusers with a plausible-sounding alternate explanation, it's all just a bunch of numbers. SEC investigators evidently do not have the background to crunch those numbers. And Madoff appears to have been a stone-cold sociopath who was unfazed by any accusations and able to placate anyone who questioned him.

No One Would Listen really is a fascinating and dramatic book, much more interesting than you'd expect from a book by a math geek about a Wall Street hedge fund. Markopolos gets personal quite often, and his anger and frustration is palpable. Although he is never directly threatened, some of his friends are, and he spends years fearing that Madoff might literally send hit men after him, or that the SEC would raid his house to confiscate his evidence proving their ineptitude. So when he finally gets to unleash in front of Congress, he tells us his goal was to make sure that the SEC had a very, very bad day.

Understanding what happened in the Bernie Madoff scandal should be a wake-up call to everyone involved in the financial industry (and we all are, one way or the other). Markopolos is quite sure there are other Bernie Madoffs out there, and the government watchdogs that are supposed to be protecting us aren't. And as with several other books I've read about Wall Street, this one leaves you with the unsettling realization that the biggest fish in the market, the people who handle billions of dollars and can shake the economy (and wreck your pension fund), more often than not are not the wise investors we'd hope, motivated to take some responsibility out of self interest if for no other reason. No, they are greedy, short-sighted, and sometimes downright clueless.

Esther Bradley-detally says

No One Would Listen, a True Financial thriller by Harry Markopolos is a gripper. Forget that I, a daughter of a municipal bond person, can't read the stock page, and this book is filled with discussions of derivatives, Ponzi Scheme (think Madoff), Harry Markopolos grips the reader to his account of discovering Bernie Madoff and his scheme which was ignored by the SEC and eventually grew to the size of $65 billion Ponzi scheme.

Markopolos is a wonderful writer, chatty, very intelligent, a math geek, quant, who sees relationships among number as a writer would letters to a page and a composer stairways to the sky in a jazz rift. He struggled for 8 years trying to warn investors, the SEC of Madoff's schemes, only to meet disinterest and disfunction.

Totally huge event. Had agencies listened to Markopolis. Had the SEC listened to Markopolos in the year 2000, the money saved would have been forty-three billion dollars.

Amazing story; brave man, and it was dangerous for himself, his family and his team. a must read.

Trish says

This is an outstanding piece of work. Bernie Madoff was investigated by Markopolos and his team over a period of ten years, and yet this book reads with all the urgency and thrills of a case unfolding *now* and in a short window. Markopolos admits he is not politically correct, and he holds back no punches for agencies that obstructed, obscured, and ignored information that could have led to the detention of Madoff years before his scheme became widely known. And Markopolos is *funny*. The language in the book reads as though he were speaking--it has an immediacy, and an irreverence that most of us wouldn't dare commit to paper but which gives the book a refreshing and unstudied artlessness. It is so *not* lawyerspeak.

This is a book we all need to read. I am here to say it is no burden to put this on your reading list. It is another example of how a good democracy can work. Citizens must take notice of fraud, and speak of it, lest it overtake us. Incompetence in the regulatory agencies we hire to protect us is unacceptable. We might even recognize unfettered greed as the social ill it is. Sometimes I think Americans get confused about this--they might even *admire* it.

Sher says

Everyone knows what a ?*&% / Bernie Madoff was, but how many people know that most of the damage he did could have been prevented by a simple phone call from the SEC to verify his trades several years before, and some 55 billion dollars before, his collapse? The incompetence of the SEC is legend. They simply refused to even consider so much as asking a question about the legality of what Madoff was doing. The question that comes to my mind is what WERE they doing with their time, if it wasn't investigating things like this? Wasn't that their job description? Although Madoff was the biggest fish, there were many other crooks that they also ignored. Maybe a better word would be 'protected' because that is what they were doing, protecting the bad guys from their investors - the exact opposite of what they had been hired to do.

Having once been Securities licensed myself, this book was all the more interesting to me. I know a little of what goes on in the world of finance, and in fact was burned myself to the point that I just don't want anything to do with it. That is probably not a good place to be either, but it is tough to have some dishonest person effect the quality of the rest of your life. Luckily I didn't lose everything as so many of these investors did, but I will be paying for my mistake of trusting someone who seemed so good and who turned out to be a crook for the rest of my life. I wept when I heard the stories of some of these people. Hell is too good a place for people like Bernie Madoff.

This book reads like a novel. I recommend it to anyone who has an interest in finance, or in bringing bad guys to justice. It was ultimately satisfying to see that justice was done. This country owes a huge debt to Harry Markopolos and his team (who were never paid for their work in bringing Madoff down) for hanging in there when it would have been so easy to quit. Thanks to them, the whole SEC is restructured and re-staffed. I hope the people at the SEC today are doing their jobs the way they should be done. If they are, things like this should never be able to happen again.

Jeff Hunt says

“Why are male SEC employees smarter than their female counterparts? Because the males can count to 21…..but only if you pull their pants down.”

“No One Would Listen” is Harry Markopolos’s account of his attempts to expose Madoff’s operation as a ponzi scheme. His main arguments (the “red flags” in his lingo) concerned the lack of volatility reported by Madoff’s strategies, the secrecy surrounding the operation, Maddoff’s fee structure to his feeder funds, and the shear impossibility of running a split strike conversion strategy the size of Madoff’s given the open interest in the relevant option markets.

Despite the title, many people within the quantitative finance world did in fact listen to Harry and his cohorts and even agreed that Madoff was likely a fraud. In fact, it appears that this was an open secret within the large wirehouse banks with derivative expertise. Where Harry’s claims fell upon deaf ears was when he submitted his information to the SEC. And it is clear from this account that Harry harbors much hate for the securities regulator. In hindsight, the SEC was particularly inept in this case.

Markopolos is no doubt an eccentric. It is apparent from the tone of Harry’s narrative that is prickly and condescending. He also appears extremely paranoid – fearful of his life and thinking the SEC would bust into his home to confiscate his materials once Madoff’s scheme became public. At times, the reader is left wondering if Markopolos has a mild form of Asperger’s syndrome – high functioning in the technical area of quantitative finance yet totally lacking in emotional intelligence. This reader believes this in part explains why his submissions never gained traction with the SEC. Harry just isn’t a sympathetic figure. And it is clear that his initial frustration with the Madoff strategy was his inability, as a quantitative finance professional, to produce a product with the same risk/return profile at the behest of his firm. So it was easy for his audience at the SEC to write him off as airing sour grapes without taking a deep dive into his quantitative arguments which they were not staffed to understand or appreciate.

So despite heaping blame upon the SEC for not catching Madoff sooner, this reader’s view is that Harry Markopolos shares some of the blame. Someone with a higher level self awareness would have proceeded differently and structured his material to better suit his intended audience. In the SEC’s internal investigation one of the reasons cited for not pursuing Harry’s tips were that motivations were those of a disgruntled competitor and the possibility of a whistleblower award. Furthermore, there were other government regulators that Harry could have approached including the FBI, DOJ, NYAG, or maybe even the Secret Service. And yet he focused all his attention on the SEC, an organization that overtime he increasingly believed was inept. Furthermore, he could have gone public to the finance press. He tried to go to the WSJ, but less prestigious publications would have thrilled to have the scoop.

Despite these criticisms of the author, this book is an entertaining read and offers a unique perspective on the Madoff scandal.

Jenny Zarate says

While reading about the Bernie Madoff scandal was fascinating, you can put the book down after he's arrested. Really. You want to, unless you just want to hear the author toot his own horn for the remainder of the book.

The author's language is very boring and dubious to read, in my opinion, because he sounds like a high school geek who has been vindicated, which, most likely is what he is. Although he was right, and no one would listen as the book title claims, it's no wonder; he is abrasive, annoying and pedantic. I wouldn't want to listen to him either. He makes sweeping statements that are very insulting and if I have to hear another of his comparisons, it will be too soon.

Here are some of his moronic examples:

"The SEC roars like a mouse and bites like a flea" 8

"It was like the Red Sox trading Babe Ruth to the Yankees" 140

"Lawyers are trained to follow the black-letter law and regulation the way Hansel and Gretel tried to follow the bread crumbs home from the forest"269 (What does that even mean????)

"These college greenhorns couldn't find cattle in a stampede" 269

"Maybe lawyers know the difference between a tort and a tortilla, but there is a reason that most firms in the industry are run by business people [...:] Obviously that didn't prevent the industry from barely surviving the 2008 crisis, but just about anything would be an improvement over lawyers attempting to lead an industry whose complexities they don't understand" 269 (Make an insulting comparison and then discredit your statement = AWESOME)

"No Child Left Behind tests students to determine if they're learning, yet we don't test those people given power to regulate our financial industry"270 (Because we've pumped out some real winners since that program has been instituted)

"That particular inspection team wouldn't have been able to find a batter in the batter's box" 272

There are numerous more of these blanket statements and idiotic comparisons that stick out like a sore thumb when you are reading, but there is no need to torture you with them.

Also, he's just kinda an asshole. It is with a kind of erotic excitement that he gets to nail the SEC (starts on 226 at the chapter break if you want to read it) for all their failure. He obviously takes great pleasure in it and doesn't have the sense to edit that out of the book. In fact, I think I blame his editor for a lot of the huffing and puffing that the author does in this book, but I am going to go out on a limb and guess the editor didn't want to talk to him either!