

# Doh! (More Madoff Fun)

Bernie Madoff alleged that JP Morgan “had to know” about his fraudulent scheme. Forget about JP Morgan. Many of the victims of Madoff were just dishonest.

Madoff never hid the fact that his fund was self custodied and administered. He got investors to look the other way by suggesting that he was front running his own broker dealer operation.

Investors would have known that a simple split strike conversion trade could not achieve the results Madoff did except if he had an unfair advantage.

Not all of Madoff’s victims were dishonest. But the more sophisticated ones were. They knew he was ripping somebody off. They just never guessed it was them.