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INVESTMENTS

## In Madoff Case, Politicians Current and Former Feel the Loss

By JACQUELINE MROZ

UNTIL Dec. 12, [New Jersey](#) State Senator Loretta Weinberg says, she had never heard of [Bernard L. Madoff](#).

But it turned out that, unknown to her, she had money in Mr. Madoff's investment firm. Now, at the age of 73, Ms. Weinberg has lost her life savings to Mr. Madoff, whom federal prosecutors have charged with orchestrating a \$50 billion [Ponzi scheme](#) that may be one of the largest frauds in Wall Street history.

Ms. Weinberg, a Teaneck Democrat, is just one of many prominent and not-so-prominent clients of Mr. Madoff who saw their investments disappear after he was arrested last month. Senator [Frank R. Lautenberg's](#) charitable foundation also lost a substantial sum of money that had been invested with Mr. Madoff, as did the former mayor of Fort Lee.

Many individual investors in New Jersey appear to have been particularly hard hit by the scheme, partially because of the state's proximity to Wall Street and the ties that Mr. Madoff's firm had to many residents in this area, as well as the state's significant Jewish population and the wealth that exists here, said Rosa Oppenheim, executive vice dean at the Rutgers Business School.

New Jersey has the second-largest percentage of Jewish residents in the country, after New York, and Mr. Madoff was a well-known philanthropist who sat on boards of prominent Jewish foundations and institutions, like [Yeshiva University](#), and enlisted friends to invest in his fund. New Jersey is one of the wealthiest states in the country, with the highest percentage of millionaire households, according to a new marketing research survey.

"It's kind of like six degrees of separation; the people he was closest to were at high levels in the Jewish community and were high-level investors, and many of those people are connected to residents who live in this area," Ms. Oppenheim said.

Many organizations and investors did not even know that their money was being invested with Mr. Madoff's firm, she said.

That was the case for Ms. Weinberg. Her financial planner in California invested her money with Mr. Madoff's fund without her knowledge and now, Ms. Weinberg, a widow, is contemplating a future without her \$1.3 million nest egg.

"I don't believe I will have any recourse over this loss in my lifetime, but I am determined not to make this the centerpiece of my life," said Ms. Weinberg, adding that her entire extended family has been affected by

the Madoff scandal through investments they made with the same California firm. “Hopefully, my kids will get through this. As for me, I’ll have to budget myself very carefully over the next several years.”

Ms. Weinberg said she had spoken with Representative [Steven R. Rothman](#) and Senator [Robert Menendez](#) about looking into whether victims of what prosecutors called a huge Ponzi scheme will be able to go back further than three years to amend their tax returns and get back taxes they paid on what she called “phantom profits.”

She said she hoped that speaking publicly about her experience would help other victims.

One such person is her friend Burt Ross, the former mayor of Fort Lee, who now owns a real estate firm.

Mr. Ross, who became Fort Lee’s mayor in 1972, at the age of 28, and served through 1975, once owned 13 buildings. Over the years, he sold 11 of them and invested the proceeds directly with Mr. Madoff’s company and with the Ascot Partners fund, which also invested with the financier. Mr. Ross still owns and manages two buildings.

Mr. Ross said in a phone interview that he lost \$5 million that he had invested with Mr. Madoff, a large chunk of his net worth, but that he was trying to put the loss into perspective.

“I felt very little anger during this whole thing, until I started reading about these elderly people who have been affected,” said Mr. Ross, who is semi-retired at age 65. “But for me it’s not the end of the world. You realize that most of what we do is more luxury than necessity. You cut back on vacations and eating out — that’s not a tragedy.”

Mr. Ross, who said he had canceled a family Christmas vacation because of his loss, said he would have to go back to work full time to make enough to retire.

The charitable foundation of Senator Lautenberg, one of the wealthiest members of the [United States Senate](#), was also hit hard by the Madoff collapse. The majority of the Lautenberg Foundation’s nearly \$14 million in assets had been invested with Mr. Madoff’s firm, said Michael Griffinger, the senator’s lawyer.

The Lautenberg Foundation donates to a variety of organizations, including the Breast Cancer Research Foundation, Catholic Relief Services, the [N.A.A.C.P.](#) and the Hackensack University Medical Center’s Tomorrow’s Children Fund.

“Obviously, Senator Lautenberg is very upset that he will not be in position to have the foundation make the widespread and generous donations that it has in the past,” Mr. Griffinger said. “He’ll remain charitable as best as he can, but this is going to wipe out most of the assets of the foundation.”

As for Senator Weinberg, her annual Super Bowl party will go on, despite her losses.

“I’ve gotten calls from friends who are coming, and everybody wants to bring something,” she said. “But I promised them a flat-screen TV, and that won’t be happening this year.”

