

Madoff and Maciel: Two of a Kind

Tom Gallagher | Feb. 25, 2009



Madoff and Maciel (NCR composition)

To watch interviews of victims of Bernard Madoff's gargantuan Ponzi scheme, and then immediately switch to interviews of Legion of Christ priests, is to quickly lose track of which scoundrel is being discussed. The priests had just learned their founder, Fr. Marcial Maciel Degollado (1920-2008), had a longtime lover and fathered a daughter now in her 20s.

The hucksters Madoff and Maciel resemble each other in so many ways that they appear to be identical twins.

Madoff preyed upon those who shared his Jewish heritage, among others. Maciel preyed upon pious people in Mexico before he spread his scam to dozens of other countries and headquartered his scheme in Rome.

According to the U.S. Securities and Exchange Commission's Web site (<http://www.sec.gov/investor/pubs/affinity.htm>), the definition of an "affinity fraud" is this:

"Affinity fraud refers to investment scams that prey upon members of identifiable groups, such as religious or ethnic communities, the elderly, or professional groups. The fraudsters who promote affinity scams frequently are or pretend to be members of the group. They often enlist respected community or religious leaders from within the group to spread the word about the scheme, by convincing those people that a fraudulent investment is legitimate and worthwhile. Many times, those leaders become unwitting victims of the fraudster's ruse."

Both men seemed fixated on money and acquiring as much as possible. The Legionnaires have over a \$250 million annual budget.

Both men were secretive in nature. Madoff's offices consisted of three floors. Only a few had access to one of them. This provided him with a chance to plot and paper his fraud.

The modus operandi of Maciel's religious order, the Legionaries of Christ, is to work outside of local bishops in order to build a parallel church not subject to oversight and accountability, to bear-hug the wealthy until large sums of money start flowing their way.

Both men ruined the lives of tens of thousands with their behavior.
There's more.

Important federal government agencies responsible for detecting investor fraud were alerted to the Madoff scandal, but were unable to rein it in. The Securities and Exchange Commission actually investigated Madoff, but failed to identify the massive Ponzi scheme. Harry Markopolos dissected the Madoff fraud in painstaking detail but remained a voice crying in the wilderness.

Archbishop Harry Flynn of St. Paul and Minneapolis, responding to the repeated concerns of his pastors and the extraordinary evasiveness of the Legionaries of Christ, kicked the Legion and its lay counterpart, Regnum Christi, out of his archdiocese.

Jay Dunlap, then spokesman for the Legionaries, offered this response to Flynn's actions: "It should be mentioned that Fr. Maciel and the Legionaries were thoroughly investigated by the Holy See from 1956 to 1959 regarding many accusations and nothing wrong was ever found. The Holy See can always review the records on file, the accusations and proofs of innocence," wrote Dunlap.

In 2000, Bishop James Griffin of Columbus, Ohio, kicked the Legionaries out of his diocese.

In 2008, Archbishop Edwin O'Brien of Baltimore took drastic measures to rein in the Legionaries of Christ just short of removing them from his archdiocese.

Madoff and Maciel enlisted intermediaries to further their frauds.

Madoff had folks like Robert Jaffe, a South Florida philanthropist, Stanley Chais of Beverly Hills, Calif., and Walter Noel of Greenwich, Conn., to round up new investors.

Maciel had people like Mary Ann Glendon, the U.S. ambassador to the Vatican, and the late Fr. Richard Neuhaus. George Weigel, Pope John Paul II's official cheerleader, and Mr. Virtue himself, Bill Bennett, publicly support Maciel.

Edward Peters, an American lay canon lawyer who holds the Edmund Cardinal Szoka Chair at Sacred Heart Major Seminary in Detroit, Mich., in a February essay published on his blog, writes: "Did Maciel sire one or more children with one or more women while he was running the Legion? Did Maciel take money donated to the Legion (afoul of 1983 Code of Canon Law 1267 for starters) to pay off mistresses or to make child-support payments?"

Who in the Legion knew of or suspected Maciel's sexual liaison(s)? And who in the Legion abetted such payoffs as might have been made? If the answers to these questions in turn lead to discoveries of additional canonical or civil misconduct by Maciel and others, and they very well might, so be it."

Miraculously, George Weigel now tells the Catholic News Agency, "Some aspects of Legion and Regnum Christi culture, including the veneration of the founder, always struck me as excessive, but I was prepared to attribute them to forms of piety with which I was unfamiliar and personally uncomfortable.

It now turns out that my instincts in that regard were correct." Brilliant, George.

If Maciel had been a U.S. priest, he would have been defrocked and possibly put in jail for the sexual abuse committed against young people in his charge. While the word "criminal" is safely applied to Madoff's behavior, few loyalists are willing to apply it to Maciel's predatory behavior.

Peters puts the prevailing question succinctly, asking whether in fact Maciel ever bequeathed an authentic charism to the Legionaries of Christ and Regnum Christi, or whether he left instead a legacy of systemic deception clothed in an attractive rhetoric that trusting men could mistake for a new route toward Christian

perfection.

?There is, I think,? said Peters, ?at least as much reason to wonder whether Maciel set up an institute in order to assure himself of ample access to sexual targets and unaccountable funds, or whether he suffered from some warped psycho-emotional condition that enabled him to compartmentalize pious devotional practices and sexual predation for decades on end, as there is to wonder whether he left a real charism to a Catholic clerical, religious, and lay organization.?

Perhaps this Lent the U.S. bishops should make it mandatory for every Catholic to read the Securities and Exchange Commission?s Web site on affinity fraud. Caveat emptor.

[Tom Gallagher is an NCR contributor. He can be reached at tom@tomgallagheronline.com.]

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