

“Mad About Madoff; What We Can Learn from this Debacle”

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The story is told about Rabbi Israel Lipkin Salant, the Lithuanian founder of the Mussar Movement, a 19th Century combination of strict piety with intense ethical commitments. At one time Rabbi Salant was serving as a *mashgiach*...a kosher supervisor at a matzah factory, where his job was to watch the workers as they prepared the matzah to exacting kosher standards. The story is that the rabbi got sick, and one of his students took his place in the factory. He asked the rabbi about what to look for as he supervised the workers. The rabbi responded, “You see those women who kneed the dough?” “Yes,” the student replied. “You know that the matzah may take no more than 18 minutes from start to finish, and that this is very meticulous timing?” “Yes,” the student responded. “Those women work very hard for little money,” the rabbi explained, “They are very poor. So see to it that they are not underpaid. That is essential for the making of kosher matzah.”¹

You see, for the Salanter Rebbe, the matzah was kosher not just because it was baked in 18 minutes; not only because there was verifiably no *chametz* on the premises...the matzah was kosher because the circumstances of its production were kosher...that is to say, the people involved in baking it were treated humanely, ethically, and with holiness. According to the Talmud the first question that one will be asked in the afterlife, the first area of life for which a soul is accountable to its Creator is whether one’s business conduct was honest: *Nasata ve’natata be’emunah?* We will be asked: “Were you honest in your business dealings?”²

This question, I believe, highlights a fundamental difference between Judaism and Christianity. This question goes to the very heart of Judaism’s devoted focus for three thousand years: While Paul says to the Romans “we [Christians] hold that a person is

¹ Dorff, Elliot & Newman, Louis, eds. *Jewish Choices, Jewish Voices: Money*. Jewish Publication Society, Philadelphia, 2008. Page 65.

² Babylonian Talmud, Shabbat 31a

justified by faith apart from works prescribed by the law,”³ Jews have always been more concerned about deed than creed. The first question we face in the world to come, is not about faith, or about doctrine, or about ideology, or about theology, it is about behavior, action, the kind of real life stuff that happens at the market, at the bank, in the office, in the shopping mall, on our checkbook ledgers, IRS forms, and yes, our stock portfolios. And we found out this week, in what Abe Foxman called “a tidal wave on top of a tsunami,” that at least one person in our community missed that lesson in Hebrew school. On one of my colleague’s blogs,⁴ he mentions that Bernard Madoff has already been added to Wikipedia’s list of all time shysters. Sheyster, he explains, comes from the German word *scheissen*, which means to defecate, and the English suffix –ster means one who does. This is precisely what Bernie Madoff did to so many investors: individuals, charities, hospitals, schools, human rights campaigns, health care foundations, Holocaust memorials, citizen’s rights programs, and so many other organizations that counted on these funds to provide for their critical, and in some cases, life saving work, and that have disappeared forever. 50 billion dollars...Irretrievable. Gone. Vanished into thin air.

One of the more unnerving layers of this episode, for me—alas, I was not one of Madoff’s investees— was brought home to me in Thursday’s *Wall Street Journal*.⁵ It’s amazing, you know, to read about how Bernie Madoff got his hands on such mind boggling wealth. It is said that in his Palm Beach community of gazzilionaires, very accomplished businessmen who made fortunes in their industries and spend their retirement days flitting around golf courses that were once restricted to Jews and tooling around the streets of South Florida in Bentleys and supped up Mercedes just handed over their money to Bernie Madoff without asking a single question. As he raked in huge earnings, or so they thought, his only rule was that he would not tell them the secret to how he did it. And they trusted him...with everything. So too, it seems, the Jewish community. Ronald Cass, dean emeritus at the Boston University Law School, wrote in Thursday’s Journal a painfully true article with the title: “Madoff Exploited the Jews.” How did he do it? He manipulated what is perhaps the most powerful and potent force

³ Romans 3:28

⁴ Rabbi Joshua Hammerman, <http://joshuahammerman.blogspot.com/>

⁵ Cass, Ronald A. “Madoff Exploited the Jews,” *The Wall Street Journal*, Thursday, December 18, 2008.

that binds us together: and that is Community. Think about it, many of us like to go to Jewish doctors, or Jewish lawyers, or Jewish accountants. We sometimes feel more comfortable dealing with our own people because we feel safer with them...that one Jew would never take advantage of another Jew. Now admittedly this probably comes from a certain mentality of persecution and countless generations of anti-Semitism, but I hear this from people all the time! My internist...he's wonderful! He's Jewish you know, 'Dr. Wills' is his name. The truth is that historically speaking our web of social, ethnic, and religious connections in many different countries was a survival strategy for Jews who often had to get up and move from one place to another at a moment's notice. Part of our very portability was the fact that we were able to take advantage of widespread Jewish networks, social services, charities, and connections. So when one of our own comes to us with a sales pitch, Cass writes that we're less likely to ask a lot of hard questions. Asking for that kind of information is like "asking for receipts from you're aunt," he writes, we just don't do it. How discouraging it is that our ability to trust each other has been eroded. In a time when community is so important, part of its foundation has been sadly chipped away. Nevertheless, it's probably time that our expectations of our fellow Jews become more realistic, and our mistrust and suspicion of non-Jews get reality check as well.

Truth is, this is not the first time a brother has been sold, traded away, and abandoned by his own family. In fact it is the instigating factor of the whole Joseph chronicle that will occupy us for four solid weeks of *parashiyot*, beginning this morning and extending until the end of the Book of Genesis. Joseph's brothers created their own Ponzi scheme: Duping their father Jacob into believing Joseph was mauled by a wild beast, then selling him to a caravan of Ishamelites for twenty pieces of silver. This short term return was nothing compared to the high yield return of getting rid of their selfish, attention-grabbing younger brother forever (or so they thought). And so a pyramid of Ishmaelites, Midianites, and Egyptians make Joseph disappear, without even the SEC being able to find him. The victims are none other than Jacob and Joseph themselves. When the pyramid collapses in a few weeks, however, Jacob and Joseph will be reunited, while the brothers take the hit for their fraudulence and narcissism. Bernie Madoff falls

into the very trap that Deuteronomy warns of in Chapter 8: “Beware lest your heart grows haughty and you forget the Lord your God...and you say to yourselves, ‘My own power and the might of my own hand have won this wealth for me.’” It’s kind of the inverse of the Hanukkah Haftarah which says “Not by might and not by power but by My spirit, says the Lord...”⁶ Madoff thought he was the god of money...accountable to no one, responsible to no one, and answerable only to himself in a world of multi-millionaire investors and high stakes gamblers.

But let us not forget that money is morally neutral. Notwithstanding the many jaded expressions about money like “money is the root of all evil” or the description of a person being “filthy rich,” money is not, in our tradition bad...or good. Like the kashrut of the matzah factory, it is the circumstances of how money is used and what it is used for that makes money kosher or treif, good or bad. My concern about this scandal and others that have wreaked havoc on the financial world is that we are living in a culture that has come to worship money and possessions and material excess. Subprime mortgages, exploding credit card debts, the trampling to death of shoppers on Black Friday so that someone could get their hands on a discounted flat screen TV, the defrauding of hundreds of investors all in pursuit of getting rich quick...this is the real cancer in our midst. As Shmuley Boteach warns:⁷ When kids don’t imagine growing up to become teachers, or rabbis, or public servants because they don’t make as much as Wall Street brokers, we’ve got a real problem. This is the milieu that allowed Bernie Madoff to exploit and deceive. My hope is that this latest financial scandal will cause us to recalibrate our national values. To understand Hillel’s sentiment in Pirkei Avot: *marbei nechasim, marbeh da’agah*, that an excess of possessions leads to an excess of worries.⁸ Money can be holy when it is earned and used honestly. Money can bring about great good when it is put toward *tzedakah*. Money that is managed with oversight and fidelity, can be a source of a lot of personal and communal blessing. But when money becomes god, or when we imagine that a person can be the god of money incarnate, our society is imperiled.

⁶ Zechariah 4:6

⁷ “Weighing in on Madoff,” www.jta.org, December 19, 2008

⁸ Avot 5:8

As Hanukkah arrives tomorrow in the midst of real and proverbial darkness, let us remember another teaching of Hillel's. Although his rival Shammai thought that we should light all eight candles on the first night of Hanukkah and decrease by one candle on each successive night—which more closely follows the miracle of the oil which presumably was used up after the 8th night, Hillel nevertheless instructed us to increase the light. Always make more light, not more darkness. Always increase goodness and hope and wisdom in the world. Always be a light unto the nations. Though this debacle was brought about by one of our own, we know he is hardly representative of our people or our values. So may the wisdom and teachings of the Jewish people glow brightly at this dark time, as we remember that money is not wealth and wealth is not money. What we do with what we have is what makes us truly rich.