

# PONZI NATION

Atrios and others have been having some perverse fun tracking the number and frequency of banks getting eaten. But there's another disturbing trend passing largely unnoticed (save for its more spectacular examples): the number of Ponzi schemes the SEC busts up.

Counting just the schemes the SEC issues a press release on and labels a Ponzi scheme (and using the SEC's most conservative estimate for the size of the scheme), there have been 19 Ponzi schemes in the last year, amounting to \$17,848 million dollars in fraud (Bernie Madoff counts for the bulk of that—\$17 billion—and I did not include Stanford's scheme, since SEC has not used the word "Ponzi" in their public releases on it yet).

Date	Name	Amount (000s)
4/13/09	Maximum Return Investments	23,000
4/9/09	Richard Copeland	35,000
4/8/09	Shawn Merriman	17,000
4/6/09	Overseas China Fund	50,000
4/1/09	Gemini Fund	50,000
3/26/09	Millenium Bank	68,000
3/11/09	Equity Investment Management and Trading	40,000
2/19/09	Billion Coupons	4,400
1/15/09	CRE Capital Corporation	25,000
1/8/09	Joseph Forte	50,000
12/30/08	Creative Capital Consortium	23,000
12/11/08	Madoff	17,000,000
11/12/08	Biltmore Financial	25,000
10/30/08	Bottom Line and Summit	30,000
10/6/08	Norman Hsu	60,000
9/16/08	Cornerstone Capital Management	15,000

9/15/08		PIPE Investments	52,700
8/11/08		Wextrust	255,000
5/2/08		Safevest	25,000
			17,848,100

And in an April 1 press release, the SEC said it had shut down 75 Ponzi schemes in the last two years (it only released a press release for one more Ponzi scheme in that time). In other words, the SEC has actually been shutting down **more** Ponzi schemes than the number of banks the FDIC eated.

Now, a lot of those schemes target a particular potentially vulnerable or trusting class of people. (One Ponzi scheme targeted the deaf, for example, and others targeted particular ethnic groups.)

Even accounting for the ways these schemers have instilled trust among their targets, this is still a big number of Ponzi schemes. Doesn't anyone look for the tangible product at the end of a money-making scheme anymore?