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## THIS DAY IN **HISTORY** | DECEMBER 11 ∨

2008

December 11

# Billionaire conman Bernard Madoff arrested



On December 11, 2008, financier [Bernard Madoff](#) is arrested at his New York City apartment and charged with masterminding a long-running Ponzi scheme later estimated to involve around \$65 billion, making it one of the biggest investment frauds in [Wall Street history](#).

Madoff, who was born in Queens, New York, in 1938, founded a small trading firm bearing his name in 1960. The business was established, in part, with money he earned working as a lifeguard. Two decades later, Madoff's firm, which helped revolutionize the way stocks are traded, had grown into one of the largest

independent trading operations in the securities industry, and he and his family lived a life of luxury, owning multiple homes, boats and expensive artwork and jewelry.

Based on the success of his legitimate operations, Madoff launched an investment-advisory business as part of his firm, and it was this business that by the 1990s had become a Ponzi scheme, in which he paid his earlier investors with funds received from more recent investors. For years, clients of this business were sent account statements showing consistently high—and fraudulent—returns. Potential new customers clamored for Madoff to invest their money. However, in 2008, with the U.S. economy in crisis, Madoff's financial swindle began to fall apart as his clients took money out faster than he could bring in fresh cash.

On December 10, 2008, Madoff revealed to his brother and two sons, who worked for the legitimate arm of his firm, that his investment-advisory business was a fraud and nearly bankrupt. Madoff's sons turned in their father to federal authorities, who arrested him the next day. Madoff was freed on \$10 million bail, and placed under 24-hour house arrest at his penthouse on Manhattan's Upper East Side.

The fallout from Madoff's scam was widespread: The victims included everyone from his wealthy country-club acquaintances, Hollywood celebrities, banks and hedge funds to universities, charities and ordinary individual investors, some of whom lost their life savings. The charitable foundation of Holocaust survivor and Nobel Peace Prize winner Elie Wiesel lost more than \$15 million, and Wiesel also lost his personal savings. Public outrage was further stoked when it was revealed that since the late 1990s a private financial fraud investigator, Harry Markopolos, had repeatedly warned the [Securities and Exchange Commission](#) about his suspicion that Madoff was operating a massive investment scam.

On March 12, 2009, Madoff pleaded guilty to the 11 felony counts against him, including securities fraud, money laundering and perjury. On June 29 of that year, a federal district court judge in Manhattan sentenced Madoff to 150 years behind bars, calling his actions "extraordinary evil."

On December 11, 2010, the second anniversary of Madoff's arrest, his 46-year-old son Mark was found dead in his Manhattan apartment after dying by suicide. Bernard Madoff died in April of

2021 while serving his sentence at the Butner Federal Correctional Complex in [North Carolina](#).

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## ALSO ON THIS DAY

### 1990S

#### 1997

##### Kyoto Protocol first adopted in Japan

On December 11, 1997 in Kyoto, Japan, the United Nations adopts a new treaty for the purpose of limiting greenhouse gas emissions. The Kyoto Protocol to the United Nations Framework Convention on Climate Change was a revolutionary attempt to forestall climate change, an admirable [...read more](#)

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### CRIME

#### 1978

##### Millions stolen from JFK Airport in infamous 'Lufthansa heist'

On December 11, 1978 half a dozen masked robbers raided the Lufthansa Airlines cargo building at JFK Airport in New York, making off with more than \$5 million in cash (\$21 million in today's dollars) and almost \$1 million in jewelry. To this day, the Lufthansa heist, as it is [...read more](#)

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### WORLD WAR II

#### 1941

## Germany declares war on the United States

Adolf Hitler declares war on the United States, bringing America, which had been neutral, into the European conflict. The bombing of Pearl Harbor surprised even Germany. Although Hitler had made an oral agreement with his Axis partner Japan that Germany would join a war against [...read more](#)

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### GREAT BRITAIN

1936

#### Edward VIII abdicates

After ruling for less than one year, Edward VIII becomes the first English monarch to voluntarily abdicate the throne. He chose to abdicate after the British government, public, and the Church of England condemned his decision to marry the American divorcée Wallis Warfield [...read more](#)

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### 1990S

1994

#### Russian forces enter Chechnya

In the largest Russian military offensive since the 1979 invasion of Afghanistan, thousands of troops and hundreds of tanks pour into the breakaway Russian republic of Chechnya. Encountering only light resistance, Russian forces had by evening pushed to the outskirts of the [...read more](#)

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### WORLD WAR II

1946

#### UNICEF founded

In the aftermath of World War II, the General Assembly of the United Nations votes to establish the United Nations International Children's Emergency Fund (UNICEF), an organization to help provide relief and support to children living in countries devastated by the war. After the [...read more](#)

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### **VIETNAM WAR**

1961

#### First U.S. helicopters arrive in South Vietnam

The ferry carrier, USNS Core, arrives in Saigon with the first U.S. helicopter unit. This contingent included 33 Vertol H-21C Shawnee helicopters and 400 air and ground crewmen to operate and maintain them. Their assignment was to airlift South Vietnamese Army troops into combat. [...read more](#)

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### **WESTWARD EXPANSION**

1872

#### Buffalo Bill Cody makes his first stage appearance

Already appearing as a well-known figure of the Wild West in popular dime novels, Buffalo Bill Cody makes his first stage appearance on this day, in a Chicago-based production of The Scouts of the Prairie. Unlike many of his imitators in Wild West shows and movies, William [...read more](#)

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### **ART, LITERATURE, AND FILM HISTORY**

1964

#### Sam Cooke dies under suspicious circumstances in LA

On December 11, 1964, in response to a reported shooting, officers of the Los Angeles Police

Department were dispatched to the Hacienda Motel, where they found musician Sam Cooke dead on the office floor, shot three times in the chest by the motel's manager, Bertha Franklin. The [...read more](#)

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## COLD WAR

1969

### Soviets declare nudity a sign of “western decadence”

The secretary of the Moscow writer's union declares that nudity as displayed in the popular play Oh! Calcutta! is a sign of decadence in Western culture. More disturbing, he claimed, was the fact that this “bourgeois” thinking was infecting Russian youth. Sergei Mikhailov, best [...read more](#)

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## AMERICAN REVOLUTION

1777

### British delay Washington's march to Valley Forge

On December 11, 1777, General George Washington begins marching 12,000 soldiers of his Continental Army from Whitemarsh to Valley Forge, Pennsylvania, for the winter. As Washington's men began crossing the Schuylkill River, they were surprised by a regiment of several thousand [...read more](#)

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## WORLD WAR I

1915

### Yuan Shih-kai accepts Chinese throne

With war raging in Europe, conflict also reigns in the Far East between two traditional enemies, Japan and an internally-divided China. On December 11, 1915, the first president of the new Chinese republic, Yuan Shih-kai, who had come to power in the wake of revolution in 1911 [...read more](#)

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