

**Lex Fridman Podcast #409 - Matthew Cox: FBI Most Wanted Con Man - \$55 Million in  
Bank Fraud**

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**Lex Fridman**

The following is a conversation with Matthew Cox, a conman recently released from federal prison where he served 13 years for bank fraud, mortgage fraud, identity theft, passport fraud, and other charges. He has admitted guilt to all of it. He has written true-crime stories of many of his fellow prisoners. And now he continues this work by interviewing criminals about their crimes on his YouTube channel that I recommend called "Inside True Crime". Exploring the mind of a criminal is exploring human nature at the extremes, often in its most raw and illuminating form. And that is something I definitely want to do with this podcast to understand the human mind and everything it is capable of. This is the Lex Fridman Podcast. To support it, please check out our sponsors in the description. And now, dear friends, here's Matthew Cox. What was the first crime you committed?

**Matthew Cox**

The first mortgage I ever did.

**Lex Fridman**

A mortgage is me borrowing money from a bank to buy a house.

**Matthew Cox**

Yeah.

**Lex Fridman**

How can you find a way to commit crime in this? How can you do fraud in this space?

**Matthew Cox**

It's very difficult for the average guy to commit fraud because there's so many safeguards set up. If you were to go in and say, "I make \$300,000 a year." "Okay. Well, we want your W-2s. We want your paystubs. We're going to call your employer. We're going to check to make sure your employer - how long they've been incorporated. We're going to check to make sure they're registered." It's like your whole plan fell apart because the average guy can't do that. He can't even come up with the pay stub and W-2. So the average person, or "I'm going to put down this much money," but you're going to borrow that money from the seller. Okay, well then they start asking for bank statements. "Where did the money come from? How long has it been in your bank?" You can't even have it put in your bank for a day, get a letter. It's got to have been there for 90 days or 60 days - depending on the bank. And so, there's all these ways. For the average person, it's very difficult to commit fraud. The average guy that works at Walmart and makes \$60,000 a year, and he's been there for 5 years and he saved his deposit, that's really the guy that those transactions are set up for. To borrow a mortgage from Bank of America, that's the guy they're looking for.

**Lex Fridman**

So to commit fraud in this space, you have to misrepresent some aspect of your identity, of how much you're worth, how much money you have, this kind of stuff?

**Matthew Cox**

Right. You have to be able to lie to the bank. Anytime you lie to the bank, you've committed fraud. And it's funny, when I was doing it, I would say, "Ah, it's in the gray area." There's no gray area. You're either lying in some capacity or you're not. So for instance, the very first loan I did, my borrower had been 30 days late on her rent. So they're really looking at the last 2 years. So when you go into the bank, most of what they're asking is a 2-year window. They're saying, "How long have you been on their job?" They care about 2 years, and "How long have you been at your residency?" They're looking for 2 years. Now, you could be at 3 places in 2 years. That's fine. As long as you consistently paid for 2 years. Well, she had been in an apartment complex, but she'd been 30 days late. Now she caught it up, but she was late. The bank doesn't want to lend you money if you've been 30 days late. So I was a broker and I whited out the 30-day late. I just got rid of it. And my manager is the person that told me to do it. She said, "It'll be fine." And she was right, it was.

**Lex Fridman**

What did it feel like? So that was the first fraudulent action you committed.

**Matthew Cox**

Yeah, I was worried. I always say I sweated bullets for 4 or 5 days, but I was concerned and I don't know that I was concerned that I had broken the law. I was concerned because I was behind on my truck payment, I was behind on my mortgage. I had banked on being a mortgage broker, and I'd gone deep, deep behind on all my bills to do this. So in the last minute when this loan isn't going to close and I have to commit fraud to make that happen. And my fear was they were going to figure it out and maybe I'd get fired. I didn't think I was going to go to jail because my manager assured me, "You're not going to jail. You'll get fired at best." So my concern was they were going to catch it and I get fired and I wouldn't get paid. I needed that money so bad.

**Lex Fridman**

So, we'll maybe paint the picture here. Where were you working? Who was the manager?

**Matthew Cox**

The manager, it's funny because I don't think I ever really mentioned this, her name was Gretchen Zaas. I don't mind saying it because she eventually ended up going to jail for fraud. Her name was Gretchen Zaas and she was a manager. I was working for a company called Eagle Lending, and it was in Tampa, and this was my first month. So it was my very first deal, 3 or 4 weeks into that first month. And I walk in, I put the file in front of my manager, she looks through everything. "Oh, great. Good. Good." And put this one piece of paper over

here and sat there. And then when she was done, I said, "What's going on?" She goes, "Perfect. File's perfect." She goes, "But your borrower was 30 days late on her rent," and she says it's done. She's like, "That's a deal killer." And I was like, "Oh my gosh, what do I do?" And I remember she pulled out a thing, a whiteout. Remember a whiteout? Not that it sticks, but the one that -

**Lex Fridman**

Okay.

**Matthew Cox**

And she started going - and I was like, "What?" She goes, "If I was you..." And she handed - she said, "I'd white it out. Make a copy. Stick it back in the file." She said, "It'll be fine." I was like, "That's fraud. I could go to jail." And she was like, "They're never going to catch it." She said, "Look, I do stuff all the time." She said, "They're not going to catch it, and nobody's calling the FBI." She goes, "Worst case scenario, if underwriting catches it, then they'll fire you. That's it. Nobody's calling. You're not going to jail." And I trusted her. I was like, "Okay." And so I did what she said. I stuck it in the file. And I mean, like I said, for 4 or 5 days, I was like, "Oh my God, I'm so scared."

**Lex Fridman**

How old were you at this point?

**Matthew Cox**

Probably 29. I think it was 29. I had gone to college and so many things had not worked out. I got a degree in fine arts. There's not a lot of people looking for anyone with a fine arts degree. And I tried to be an insurance adjuster. Tried that for about a year, year and a half, that didn't work out. Ended up working construction for a few years. And so finally the girl I was dating said, "You got to be a mortgage broker." She's had just started in the mortgage industry. And she was like, "You have to do this. You were born to do this. This is perfect for you."

**Lex Fridman**

What did she see in you?

**Matthew Cox**

She said, "You're a salesman." Because I was like, "I can barely balanced my checkbook. I don't know anything about numbers." And she was like, "It has nothing to do with that. It's sales. It's putting together deals. You're good at that. You're good at negotiating. You're a natural salesman." And I figured I need to try something.

**Lex Fridman**

So, what aspect of mortgages is sales and deal making? What aspects require the charisma that you clearly have?

**Matthew Cox**

Well, one, you have clients that have lots of options. They can go to Bank of America, they can go to SunTrust, they can go to Chase. They have options if they have perfect credit. I ended up working for a company that was a subprime lender, and those people didn't have a lot of options. Honestly, by the time they got to Eagle Lending, their options were over. So what ends up happening is you're negotiating with sellers. You would think that a lot of the stuff in that industry that real estate agents should do, the brokers end up doing because real estate agents are used to - you meet them at the house or they take you to several houses, they open the door, they walk around, they write up a contract that's legit, a legit contract, and you're already pre-approved. Everything works out. But subprime, that's not the case. You got borrowers with horrific job history. They don't have enough of the down payment. Maybe they have the down payment, but they don't have the closing costs. So you have to go to the real estate agent and say, "Listen, I need you to raise the purchase price and have the seller pay the closing costs," which is legal to a degree, but that's not how they wrote up the contract. So now you're having to get them to rewrite the contract or there's little things you're trying to do. And the more deals you get done, and the more you deal with certain real estate agents, the more you start to realize that they're - you know which ones are completely above board and which ones are willing to twist the rules.

**Lex Fridman**

And a lot of it works on personal relationships.

**Matthew Cox**

Right. Right. For some reason, people tend to like me and trust me. I don't know why. It hasn't worked out for so many people, but people naturally seem to trust me. And so if I say, "Hey, I can close the loan, but you got to do this. It'll be cool. Don't worry, we do it all the time," it's like my third loan and "I've been doing this for years." And they go, "Oh, okay." And then they raise the purchase price, they add some money, they have the seller of the house give the borrower some money, they stick it in the bank or they put it in Escrow, the closing company. Now you're starting to massage deals.

**Lex Fridman**

What was the second time you committed a crime? So how did it start to evolve from the whiteout?

**Matthew Cox**

Well, I mean, when that went through, I think a normal person probably would've said, "Wow, it was a one-time thing. Got away with it. I'm good." But for me, it just emboldened me. I just

got a check for, I don't know what it was, 25, \$3,500. I was thrilled. And by that time, I was already working on another deal. But that guy, he made - I forget - it's something like - he had made - let's say, \$45,000 the year before in his W-2 based on his current track record. Or his year to date of his pay stub, he made just enough money. But if you factored in last year's W-2, he was shy. So, if I changed that \$45,000-51,000, then the loan closes. I get a check for 3,500 bucks. He gets into a house. I'm doing him a favor. I'm doing God's work. So I fix it. I kick back. I'm terrified a little bit, worried about it. Sure enough, it closes. 4 or 5 days later, they call me, "He's ready to close." A week later, we close. I get a check. Next guy that comes in - I mean - I got very, very quickly. I was concerned, "Do you have a house? Do you have a deal? Is it ready? I can get you done." Now, if you were in bankruptcy or something, there's some things you just - you'd pull their credit and you just couldn't help them. If they had a 550 credit score or something and no job. I mean, it had to be within reason, but very quickly it was changing W-2s, changing paystubs, changing appraisals, fixing, like I said, verifications of rent. So it evolved very quickly for me.

**Lex Fridman**

And you're essentially helping people.

**Matthew Cox**

That's what I told myself.

**Lex Fridman**

Giving them a chance. People that have been really struggling financially in life. So you've been telling yourself that you're doing a good thing for people.

**Matthew Cox**

I told myself that right up until - that those loans were solid and I was helping those people out - right up until I went to prison. And I was in prison and I had to write - the government asked me to write an ethics and fraud course to help teach the nation's mortgage brokers. All loan officers and brokers have to take - I think it's 9 hours of continuing education every single year. And I was approached to write the ethics course, and it was about that time and about the same period of time I was writing my book, and I started reflecting on what I had done. And the truth is, and this is a horrible thing to say, because the first time I ever heard somebody say this, I remember thinking, "Oh, that's a horrible thing to say." Some people should not own a house. They shouldn't be allowed to borrow. They're not in a position financially. And there were many occasions where I put someone in a house that they 100% swore they could afford. I was helping them. I told myself I was helping them, and a year and a half later, they're going into foreclosure. Their stuff's on the corner, they don't know where to go. And the truth is that I'm not smarter than the actuaries that came up with those underwriting guidelines.

**Lex Fridman**

So in this whole process, how are you making money? Are you taking a percentage?

**Matthew Cox**

Broker fee. Yeah, I charge a broker fee, or you charge yield spread. So yield spread is - let's say the interest rate is 8% interest. If I charge them 25 basis points over the 8%, so I charge them 8 and a quarter - 8.25. Then, I get 1% of the loan back as a fee. So if I charge them 8.5%, I get two points back. So if it's a \$100,000 piece of property and the bank says your interest rate is going to be 8%, and I tell you 8.5 and I'm charging you a \$3,500 broker fee, now I'm making \$5,500. So on even a \$100,000 loan, you could make a nice chunk of change. I mean, it's -

**Lex Fridman**

So, how much gray area is here? You said that there really isn't when you're lying or not, but it feels like there is.

**Matthew Cox**

Well, every time I change something, it wasn't gray area, I just committed fraud. At this level, you either meet the guidelines or someone has massaged it in such a way that they've committed fraud and that's it. And there's tons of ways where you can commit fraud and they just can't figure it out. Does that make sense? I mean, you've committed fraud and it's like they've looked at the entire - they look at all the documents and they double check everything, and they know there's fraud in here and they just can't find it.

**Lex Fridman**

Just because they can't find it doesn't mean it's not fraud.

**Matthew Cox**

Exactly, doesn't mean it wasn't fraud.

**Lex Fridman**

As part of this, you did a lot of fascinating things. One of the things you did, you talked about creating synthetic people - meaning creating fake identities. What does it take to do that well?

**Matthew Cox**

So your credit profile is made up of your name, date of birth, your address, and your Social Security number. And then there's other things where you work, that sort of thing. But what people don't realize is there's so many people out there that think that the credit bureaus already know who you are, but the truth is, the first time the credit bureau has ever heard about you was when you told them. The first time you applied for a credit card, they created a credit profile at that moment. Prior to that, they had no idea. So the first time you apply,

you give them your full name, date of birth, Social Security number and your address, and they create a credit profile and they say, "Hey, no record found of this person. He has no credit - nothing - probably got denied." Well, what I realized through the course of - because eventually I ended up leaving that one company and I opened my own mortgage company. When I opened that mortgage company, I was on the inside. Does that make sense? I wasn't just a broker that was sitting out with everybody else and would periodically come in and ask questions or would call underwriting, but I really didn't understand what was happening and exactly what the underwriting guidelines were. Now, I was actually talking to the underwriters and you're talking to the owners of the lending institutions and the banks, and you're talking to all of the account executives. And now, it wasn't just Eagle Lending I was talking to, there were 40 different account executives coming in on a weekly basis trying to get us to sign up with their lender. And they're on the inside coming in, showing you programs and saying, "Look, if your borrower is self-employed, we don't ask for this or this, we just ask for them to say to say they're self-employed." Liar loans. You've heard the term liar loans?

**Lex Fridman**

No.

**Matthew Cox**

Okay. Or no doc loans where they don't ask for any documentation. If he's got over, let's say, a 700 credit score and he says he's been a plumber and he works for himself, and he's got over a 700 credit score, he just has to say he's worked for himself for over 2 years, and -

**Lex Fridman**

They don't ask any other questions.

**Matthew Cox**

They don't ask for any documentation. He's got the money in the bank. He's got a 700 credit score, says he's been on the job for 2 years, he's self-employed. We're going to raise his interest rate by 1%, and that's it. He's got the loan. But you start to know how things work because I hired a bunch of brokers to work underneath me, and when they would get caught, I would get the phone call. So I get the phone call from the owner of a bank or a lending institute, a lender, and that lender says, "Hey, Matt, we got a problem." I'm like, "What's up?" He's like, "Listen, we caught a fake W-2." I'm like, "What do you mean?" "Yeah, your broker so-and-so sent us a file and this person had - there's two fake W-2s and we're assuming the paystubs are fake." And I'm like, "Are you serious? How did you even catch that?" And they go, "Oh, well, here's what we did. We checked with sunbiz.gov," which is the Secretary of State's website that registers corporations. "And we checked, and the tax ID number didn't match." And now I know every W-2 has to have a matching tax ID number for whatever corporation issued it.



**Lex Fridman**

So there's a sequence of checks they do to detect fraud in different documents like W-2s?

**Matthew Cox**

Right.

**Lex Fridman**

And then you're slowly learning -

**Matthew Cox**

Yeah, exactly.

**Lex Fridman**

What's the process for detecting -

**Matthew Cox**

I mean, I had a pretty good understanding anyway, but so I'm starting to learn that -

**Lex Fridman**

It's common sense understanding. Yeah.

**Matthew Cox**

So I'm putting these things together. And I remember one time I had a woman come in and she came in and she had perfect credit. She had like a 750 credit score. I mean, it was perfect. And she came in and one of the brokers came in and said, "Hey, man, can I show you something?" I was like, "Yeah, what's up?" He goes, "Look," he said, "I've got this woman's W-2s here." I said, "Okay." I looked at them and he goes, "Here's her credit report." And he goes, "Here's the application. This is the Social Security number." I went, "Alright." And he said, "This is the Social Security number on the W-2." And I went, "Okay." Keep in mind, you go to get a car loan or credit card, they never asked for these things. I'm really shocked he even noticed it. I probably might not have even caught it, but they were different. And I went, "Really?" And he goes, "Yeah," he said, "She just brought them in. She's here." And I was like, "Oh, bring her in here." So she came in, sat down, I said, "Listen, here's what we just found." And she was like, "Oh, okay. You know what? I don't want the loan. I just - I go, "No, no, no, no, no." I said, "Listen, you're getting a loan. You got a 750 credit score. I don't care what we have to do. We're getting you the loan. I just want to know what's going on. How did you get 750 credit scores under this Social Security number when clearly this is your real Social Security number? You've been working for this company for 10 years, and your credit profile says it's only 3 years old. And I was like, "What happened?" And what she told me she did was she went through a divorce. She had been married for 10 years, used her husband's - I mean - his surname for 10 years. So she has no credit under her maiden name. But when they got divorced, she switched to her maiden name because when she tried to get anything in her

husband's surname, it was denied, bad credit. So he had bad credit. Their credit went bad. So she switched to her name and a friend told her if she needed to get her electric or anything turned on, she could use her name and use her daughter's or son's Social Security number, which was like a 4-year-old kid. So she used that and it went through, she had to put a deposit down, but it went through at least, it wasn't denied. So that went through. Then she went and she applied for an apartment with that. Sure enough, it went through. She had no credit, but they said, you don't have bad credit. So she said once she moved into the apartment, she then started getting these pre-approved credit cards. So she goes, "But I knew I had applied there using my son's Social Security number," let's say. So she started filling those out, and sure enough, she got a credit card and then she got two, and then she got a pre-approval from Ford Motor Credit. She went and got herself a new car, got approved. She'd been making the payments ever since. She has a 750 credit score. She thought she'd try her hand at buying a house in his Social Security number, and we caught it and she got a house in that name. We closed it. I just was like, "Wow, this is great."

**Lex Fridman**

Can I ask you a question about that? Because it seems like she's able to pay for everything.

**Matthew Cox**

Right.

**Lex Fridman**

So while this is highly illegal, is it unethical? It's unethical in that it's messing with the system on which a lot of people rely, but it feels like there's some aspect of the system that's broken in that it doesn't give people like her a second chance.

**Matthew Cox**

She could have claimed bankruptcy and then 2 years later - listen - 2 years out of bankruptcy, you can go into Bank of America and get a conventional mortgage - assuming you have perfect credit outside the bankruptcy. You have the down payment. You make enough money. There's a whole bunch of underwriting guidelines you have to meet. But that's possible. But you're right. For instance, she wasn't getting an apartment with her bad credit, she wasn't getting her utilities turned on. She wasn't getting any of those things done.

**Lex Fridman**

So getting your life back on track is just harder.

**Matthew Cox**

It's extremely hard.

**Lex Fridman**

So there's a temptation to take the shortcut and the shortcut is often going to be illegal.

**Matthew Cox**

Right. And she stumbled into it, but she basically explained it to me, and I don't think she had walked out of my brokerage office before I went, and I just started making up names. And I think I went into our file cabinet and grabbed some people's 1040s, which we had, their tax returns and looked up children's Social Security numbers and just grabbed some random kids' Social Security numbers and their name and went and pulled them. But I changed their date of birth to be an adult. Pulled it, and sure enough it came up, "No file found." It didn't say fraud alert or fraud or anything. They didn't say mismatched this, mismatched that, didn't say anything. It just said, "No file found." Well, then we went and we applied for a couple credit cards using a child's Social Security number, and then we went and pulled our own credit report. And sure enough, it didn't say no file found. It just said that there had been two inquiries applying for credit cards. So I was like, "Wow, that's a credit profile." So that turns into me calling Social Security and trying to get them to issue me Social Security numbers to adults that had never had a Social Security number issued to them. I need to get a Social Security number to give me a clean Social Security number. But I called up, and of course, I'm a novice, I don't really know what I'm doing. So I call up and I say, "Hey, yeah, I never had a Social Security number issued." And they were like, "How old are you?" And I was like, "I'm 31 years old." And they were, "Yeah, that's not possible. Do you have a driver's license?" "Yeah." "You have a bank account?" "Yeah." "You have a Social Security number. Bring your driver's license in and we'll pull it up." Okay, well, that's not going to happen. Hang up, call back. "Hi, my son is 7 years old or 3 years old, and he never had a Social Security number issued." "Oh, okay. Was he born in a hospital?" "Yes." "Well, he has one. He has one. Go ahead and get your son, come in here..." No, I'm not doing that. Hang up, call back. So, I called back probably 10 times and eventually someone said - I kept altering it - kept altering what I was saying - until I got to the point where I was saying, "My son was born with a midwife, not in the hospital. And the pediatrician told us that we need to get Social Security to issue a Social Security number." And they would say, "Well, he should have issued it. But that does happen sometimes. So, bring your son in and you can fill out the paperwork. We'll have one issued. First, we'll check to see if he never had one issued. And if he hasn't, we'll issue one." And so then it turned into, "My son is out of the country and I need this." And then that turned into, "Oh, I'm sorry. Well, how old is he?" I was like, "He's 3." And they go, "Well, I'm sorry if he's over the age of 12 months old, he has to come in." Hang up the phone, call back. "My son is 10 months old. He's out of the country - born with a midwife - never had a Social Security number." And then they go, "Oh, okay, that's fine. Just get his birth certificate and his shot record and you can come in, fill out the paperwork, we'll issue you a Social Security number." And that's what I did. So I figured out how to create a birth certificate. I ordered the security paper where you make a copy. It says, "Void if copied." I ordered had to order a bunch of that, and I went online and figured out how to make a fake birth certificate. It was great too, because the county actually, they give you a blank form

and then they actually show you what it looks like filled out, like a handwritten one filled out. So I knew if he was born this day, he got these shots. Two months later, he got these shots. Six months later he got these shots. So I just filled it out. I even had to order a seal. So you have to have a seal that says "Hillsborough County Vital Statistics" or "Richland County Vital Statistics" or something. And I couldn't get anybody to make that. So I changed it to Richland County Office of Virtual Records. And then I took 220 grit sandpaper and hit it over and over and over again to wear it down. And then I did the embossment on the corner and I printed it on the security paper, embossed it. Nobody looks at those things. You could see Richland County, you could kind of see that. And really, they just grab it and they go like this. This is what you realize after you - when I started getting driver's licenses issued by the state DMV, I figured out eventually it was easier to just go into the DMV and have them give me a driver's license than actually make one. But you notice they would just grab the thing, they'd feel the form and go, "Okay," they don't even look at it, which is upsetting if you put as much work into these documents as I am for them to go, "Okay. Yeah, that's good. Sit over there." I felt like going like, "Hey, bro, take a look at this. This is artwork."

**Lex Fridman**

Yeah. But they're looking for the low hanging fruit of crappy fraud?

**Matthew Cox**

Right. Yeah. This stuff was right through.

**Lex Fridman**

Okay, so birth certificate gets you a Social Security number. So it's interesting because you've done a lot of different approaches to creating synthetic people. There's homeless people involved. So sometimes it's grounded in real people or real names.

**Matthew Cox**

Right.

**Lex Fridman**

Some part is fake, some part is real sometimes, and sometimes it's completely all fake.

**Matthew Cox**

Right, because now I have the name, I have the Social Security number. And what's great is they mail you. What's even better is then you get to pick whatever name you want. Because when you pick your child's name, he doesn't even have to have your last name, you pick any name. So I would pick a name and I'd just say, "Oh, my wife's last name is this" If they questioned it, which they never did. I've got a Social Security number, and then I would go apply for credit cards and I'd get denied of course, but they would all offer me a secured credit card. So I'd then fill out the secured credit card and I'd send the bank the money, and they would give me a secured credit card for \$500, \$300, \$1,000, whatever it was. And then

once you start making the payments, I pulled the credit and a credit profile shows up saying that this 31-year-old man with the Social Security number that I know was issued a couple of months ago, has three credit cards. They don't even say secure. They just say, "This credit card is \$500. It was issued by Bank of America. This one was issued by Capital One, this one..." So, I've got 3 of them, but I had no credit scores. So at that point, I kind of kicked back and waited and I just kept making payments. And I remember thinking to myself, "I'll bet you that the credit bureaus don't generate credit scores for at least a year." And I was like, "God, this is going to be a year long process." And while that was happening, I was starting other ones because I figured at least in a year I'll have a bunch of these - we call them phantom borrowers, but now they call them synthetic identities. So at least I would have these synthetic identities and maybe I could do something with them. But what happened was at 6 months, I went and I randomly pulled the person's credit, and he had 705 credit scores - 705, 701, 695. I was like, "Oh, my God." You only needed a 620 to get a 95% loan from the bank. So, borrow to get a 95% loan from the bank. So I was like, "Oh my God, this is amazing." Sure enough, a month later, the other ones I had started - all of them - bam, bam, bam.

**Lex Fridman**

So, what do you do with a phantom borrower? How do you make money on this?

**Matthew Cox**

So I think most people, if you were just a scammer or a fraudster, you would probably just get credit cards and maybe build up that history or maybe try and borrow a personal loan, which is limited. Personal loans used to be, you could go to an FDIC insured bank, which borrows money. The personal loans they lend out at the max \$15,000. So you could do that.

**Lex Fridman**

So you can go through this whole process of creating a fake identity, getting a card, paying it off, building up credit, and then you get \$15,000 at the end or so.

**Matthew Cox**

Right. You get 15. Maybe if you want to keep making the payments, if you could wait a year, you could probably get 15,000, you could maybe get 20, 30,000 and a bunch of little smaller ones. You get 7,500. There was a \$7,500 from Citibank, \$5,500 from American General. So you maybe get, what? 25,000, maybe 30,000 in personal loans. Maybe you could then get another 20 or 30,000 in regular credit cards. 10,000 here, 8,000, 5,000, and then you go to the lower department store cards and you go to Home Depot, you get 1,000, you get 500. So it ends up being maybe you can get 50-60,000 - maybe if you really good, you could get up to 80 or 100,000 in credit cards and personal loans if you really knew what you were doing. But -

**Lex Fridman**

Per person, per identity?

**Matthew Cox**

Per identity. But I had the ability to leverage those perfect credit profiles against properties, and I mean, ultimately that's what I end up doing so each one of those identities was worth a few million.

**Lex Fridman**

Can you explain how that works, so to leverage them against property? So how does that work with the mortgage?

**Matthew Cox**

So what I did eventually, I mean this is down the road, but at this point when my whole life had kind of gone off the rails. I was on federal probation, and so what I decided I was going to do was start running a scam, a much larger scam. And what I was going to do was I was going to start flipping properties, right? Buy houses cheap, fix them up and sell them. There's an area of Tampa called Ybor City. So I was going to start flipping houses in Ybor City. I thought, "Okay, I can buy these houses for," you could buy a really crappy house at that time for 50, \$60,000, let's say 50. And then you could put \$25,000 into it in renovations. You could renovate it for 25 and maybe you could get an appraisal for 100. So I thought what I could do is, "I can buy these houses, renovate them and sell them to regular people." But I also had been working on the synthetic identities. And then I thought, "well, or I could just sell them to synthetic identities." And then I wouldn't have to dump 25,000 into it, right? And these guys are perfect. They have perfect credit. I can provide W-2s and paystubs because by this point I'm manufacturing businesses. So I've incorporated businesses, I've got websites for the businesses, W-2s, paystubs, so these guys look perfect. So I figure I'll buy these properties for 50,000, sell it to these guys for 100. Maybe I'll pocket 40 or 50,000. I don't really have to do anything. But that seemed shortsighted. So I thought, "What would be even better is that if I did a little bit of renovations and then I sold it for much higher." Maybe I put 10,000 clean up the outside of it, because these guys don't care what the inside of the property looks like. They don't exist." But how am I going to get an appraisal for \$100,000?" Well, you know how appraisals work? Okay, so the bank sends an appraiser out, or at that time you could provide an appraisal. They can review it. So they'll do what's called a desktop review. They review it on the computer and they never go out to the property or they send someone out. They call that, it's a field review. They send someone out and they just look at the house. They don't go in it though. So I have to clean up the outside of the house. But the problem is if you're trying to sell that house for let's say 200,000, the other houses, they have to pick three comparable sales in the area that are also going to support a \$200,000 sales price. Well, there's no other house that's selling for 200,000 near this house. So I thought, "If I want to get these things appraised for 200, 250,000, I have to have comparable sales and that appraisal is going to be reviewed." So what I did was I went out and I bought

this house for 50,000 and I recorded the sale at 200,000. So when you buy a house for \$100,000, you pay \$700 in dock stamps. But if you pay an extra 700 bucks, the sale shows up for 200,000. I'm buying these things for 50, so I'm paying \$350 and I'm just paying an extra \$1,050. So it ends up being \$1,400, but the sale shows up at 200,000 on a house. That's a crack house I bought for \$50,000. Now I go, I trim the trees, we mow the yard, we clean up the porch, we put the porch rail on maybe, we paint it real nice. We black out all the windows. You can't see inside, but from the curb it looks great. I get an appraisal. So I do that with that house. I do that with another house all within a mile. So I buy four houses knowing there's a subject and three comparables for all of them. So the first thing I did is I bought four houses for 50,000, 60,000, 40,000 and I recorded the values at 210, 200, 190. So I get an appraiser to come out there. He appraises it. Of course, he says, "It's horrible," but there's comparables here. Now, of course it is in bad shape, and he says, "It's in bad shape," but I go ahead and I correct all that. So I correct it. So now if you review the appraisal and you're in California, or even if the appraiser comes to the house and looks at it from the street, it looks fine. But the truth is, I've got \$60,000 into this property and you're appraising it for 200,000. So the bank, they're not going to lend 200, but they'll lend one 190. So the bank is ready to lend this synthetic borrower \$ 190,000 on a house that I have 60,000 in. So I schedule a closing and we close on the house and I walk away with \$60,000. And the thing is, the problem was is by the time I got to this point, I knew so many people in the industry, nobody had to really at that point show up. Although I've had people show up for the synthetic identities and sign for them. Almost all the closings, nobody ever showed up. I just showed up and said to the title agency and said, "Hey, my borrower, he's at work right now. He can't make it. Can I just take the file and I'll have him sign all the documents at his work and I'll bring them back. He's like an hour and a half away from here. I'll be back in 2 or 3 hours." And they're like, "Oh, wow, man, Matt, thank you so much". And they would give it to me and I'd go sit in the parking lot and I'd sign all the documents and I'd wait an hour or two and I'd come back in and say, "Here you go."

**Lex Fridman**

How were you able to keep all of this in your mind because you have to not slip up in any of these conversations?

**Matthew Cox**

It's pretty easy for me to keep everything in the correct category. Does that make sense?

**Lex Fridman**

Sure.

**Matthew Cox**

I'm not great at a lot of things, but this I was very good at.

**Lex Fridman**

Well, there's these phantom people that exist and they were becoming real people in your mind, as in you're able to tell good stories with those people, right? Because if you're talking to the appraiser, you're talking to everybody involved.

**Matthew Cox**

Well, keep in mind, the appraiser almost never meets the borrower. Never. 99.99% of the time they never meet them.

**Lex Fridman**

But you have to talk about them?

**Matthew Cox**

Yeah.

**Lex Fridman**

So I guess what I'm asking is you're able to converse fluently about these synthetic identities.

**Matthew Cox**

Yeah. They all had different jobs. They were all on the job for 5 years. A lot of it was -

**Lex Fridman**

Sure. There's a template.

**Matthew Cox**

Exactly.

**Lex Fridman**

I got it.

**Matthew Cox**

Listen, as a matter of fact, almost every one of them had the same birthdate because who knows? So it wasn't difficult and keep in mind, a lot of the brokers barely ever meet the borrower. They call in on the phone, but it didn't matter anyway, because I'm walking in saying, "I got a slam dunk deal for you." And they're like, "Oh, wow, Matt, you got the W-2s, the paystubs. You got all their rental history, you have everything done. It's perfect. Thank you so much." They're happy to do it. "Hey, I'll print up the docs and I'll have them go sign it." "Great. Wow, thank you." Assuming they didn't already know about it, and almost everybody involved in this by the time I was done, was involved. There was probably 15 or 20 people that all knew what was going on.



**Lex Fridman**

The full of it? They knew the full depth of it?

**Matthew Cox**

Yes. Maybe not 100% everything, but they definitely knew this is fraud.

**Lex Fridman**

And they were still going along with it?

**Matthew Cox**

Keep in mind that even when, I'll give you an example. One of my, let's say, and this happened with almost all of them, was, he would buy five houses. So the basic design was I buy the houses, I record the values higher, and this person buys all five houses, refinances them. He ends up borrowing a little bit over a million dollars in his name. Then of course, then I go and I get personal loans from several banks. I get credit cards. I run up all of his credit cards. By this point, I've got 10, \$20,000 worth of credit cards in the guy's name. So the guys are all worth a million, a million and change. Well, once I stop paying, you start getting letters from the collection companies, right? From the banks, and then they sell them off. So after about 3 months, you're getting tons of letters. And what I would do is I would take my borrower's name, I would go online and I would find, or I'd go in the newspaper and I would find an article about, let's say a 12 car pile up. So there's a huge accident on I-4. It's very dangerous. So there's a 12 car pile up, and someone in the accident was life flighted to Tampa General Hospital. I would cut and paste that article and I would just insert my borrower's name into the article saying that, "Brandon Green was life flighted to Tampa General Hospital. He's currently in critical condition." I would then print that article out on newsprint. I'd then make a copy of it. Cut it up, make a copy of the newsprint, highlight his name, and I would write a letter from Brandon Green's fictional sister to the collection companies saying, "Several months ago, my brother was in a horrible car accident. He is currently..." They've got the article, they have the highlighted name. He clearly was in this accident. "He is currently in a coma, and the doctors say, 'Even if he wakes up from the coma, he will never work again.' So you might as well just foreclose. Stop writing us letters and take the houses back." And that's all they're looking for, is a reason. At this point, even if they look into Brandon Green, they can't figure out if he's a real person or not because he's got a Social Security number and everything went bad at the same time. He's got multiple rental properties or his primary residence, all of his credit cards went bad, everything went bad. We have an excuse. We have a letter. That happens. People get divorced, they lose their job, they get in accidents. It's reasonable.

**Lex Fridman**

When they look into it, it all looks legitimate.

**Matthew Cox**

Even if they ordered another appraisal, by this point it's not four comparable sales or three or four comparable sales, by this point it's 10, 15, 20, 30, 40, 50 because I kept making more and more of these guys.

**Lex Fridman**

What was your, just almost like a tangent, what's your thinking process? There's a lot of cleverness going on here. So the car pile up as a solution. The newspaper and you mail it. Are you sitting there alone and thinking through this? How do you come up with that idea? It's a very interesting, a very clever, innovative idea.

**Matthew Cox**

So at first, I thought about making a fake death certificate. He died. But I thought, "I don't know what if," some of these places had primary mortgage insurance, "what if the primary mortgage insurance, what if they try and claim because he was dead or I don't know. I don't know that side." So I'm like, "I don't want to do that. I want to do something that's semi verifiable and a third party's telling you this is what happened." I thought, "Well, like the newspaper, or do I claim bankruptcy?" And I've done that. I've gone and got the bankruptcy forms. You can go to the bankruptcy court and they'll give you forms to mail to all of your creditors. You mail them and they stop contacting you. They wait to be located or notified by the bankruptcy court. But my fear there is, "Nobody's ever going to notify them. I'm not going through bankruptcy for one of these guys." So it was like, "This is a better bet than just writing a letter saying, 'I'm going through a divorce. My wife's keeping those houses. That's her problem.'" There's lots of things you could do, but to me this was, "How do you shut it down without him dying? How do you shut that down?" This is how you shut it down. He's in a coma. He'll never work again. He was in a car accident. Here's the proof. He can't even write you. I'm his sister. I wrote you the letter.

**Lex Fridman**

It's a one-time letter that seems to tie up all the -

**Matthew Cox**

Exactly.

**Lex Fridman**

- loose ends.

**Matthew Cox**

Exactly. I don't know exactly what sparked that as much as there were so many other avenues that I could have gone that I just didn't know.

**Lex Fridman**

But you were thinking through all those different avenues?

**Matthew Cox**

Yeah.

**Lex Fridman**

Are you mostly thinking alone?

**Matthew Cox**

I mean, I had guys I was bouncing -

**Lex Fridman**

Ideas.

**Matthew Cox**

- ideas off of. There were other guys that were involved in the scam. I think that scam ended up making, I think the FBI said it was 11.5 million or something. But there were so many other people that were involved in that scam that were, this guy's getting 50, this guy's getting 17,000, 20,000, 25,000. And we're just doing it constantly. And so the bank would foreclose on that property. They'd take it back. They'd put it back on the MLS. They put it back on the MLS for 200,000. It wouldn't sell. Then they'd drop it to 150. It wouldn't sell. Then they'd drop it to 125, 130. It wouldn't sell. They'd drop it to 90 and somebody would buy it for 90. It wasn't worth 90. But by that point, we'd done so many houses at that point the whole area shot up. The FBI said we did 109 houses. I don't think that's true. But -

**Lex Fridman**

Wow.

**Matthew Cox**

- when I end up leaving Tampa after that scam falls apart, and the FBI shows up, Forbes came out with an article, whatever 6 months later, and they said that, "The Ybor City zip code was one of the top 20 fastest growing appraising areas in the country." And everybody was like, "Oh, that's Matt, because this place is a dump. This is a horrible place." And I remember one time, I had talked to a guy years later, and he was like, "All the comparable sales have dried up. When you left, there was just nothing even close to 200,000."

**Lex Fridman**

You mentioned right before telling the story of this elaborate scam that you were on federal probation. How did that happen?

**Matthew Cox**

So I mentioned that I owned the mortgage company.

**Lex Fridman**

Yes.

**Matthew Cox**

So I had started a mortgage company. I had maybe a dozen guys working for me, and there was fraud. I would say it wasn't all fraud, but whatever, 60, 70% of it was fraud that was going in there. And from the outside of that business, it looked very legitimate. We were an FHA approved lender. We were a VA approved lender. We did conventional, probably signed up with 40 or 50 subprime lenders. But there was a considerable amount of fraud. It became a game, right? I started getting just more and more creative. Like I said, every time I would get away with something you become emboldened by it. It's like, "Nice." "Hey, the underwriter's looking for this and looking for this." And you sit there and go, "Man. What am I going to do? You know what we could do? We could create our own bank." "What?" "Yeah. Here's we're going to do. We're going to go on..." How do they know if this bank exists? These people are in California. They're in New York. They don't know. "So, what we're going to do is we're going to go online." And keep mind, this is 2000-2001. The internet's in its infancy still, right? I remember GoDaddy, I think had just come up with a site where you could build your own website. How cool is that? So I go online with a buddy of mine, and we create something called the Bank of Ybor. We cut and pasted things that we liked from other banks. We got a 1-800 number you could call, or a 186 number, whatever it was, and you could call it, and it would go to a voicemail. So we set up this bank, and then I ended up making bank statements, which by this point, I already had been making bank statements to prove someone has their down payment. Because a lot of times people, they have good enough credit to borrow 95% or 90%, but they don't have their down payment. So we'd raise the purchase price high enough to cover their five or 10% down payment. We would bring their down payment for them, or we'd have the owner of the house bring the down payment for them. Then we would have a check cut out of the closing statement to a construction company that I owned, and we get our money back. So they get into the house for 100% financing or 110%. Some of them turned into one 130. We want to pay off their car, give them an incentive to sign. They still don't have the money to buy it. So we are doing all kinds of insane things. Well, at some point, remember Gretchen Zayas, my old manager?

**Lex Fridman**

Yeah, the original.

**Matthew Cox**

Yes.

**Lex Fridman**

The OG.

**Matthew Cox**

She came and worked for me for a short period of time, and then she and her husband went and opened their own mortgage company, which you should have known it was going to be fraudulent from the get go because it was called Creative Financing. It was CFM, Creative Finance. No, Creative-

**Lex Fridman**

Creative was in the name.

**Matthew Cox**

Yeah, Creative was in the name.

**Lex Fridman**

It's really on the nose.

**Matthew Cox**

So she's doing very well and we became very close by the way. Where we'd go on vacation, went to Puerto Rico together. I got married at the time. I was married. Our kids play together. We babysit. We go to each other's parties. We're close. We're good friends. And she's got her own mortgage company. She calls me up periodically and asked me, "Hey, can you make a W-2?" Or, "Hey, can you make me a pay stub?" "Sure, no problem." We're friends. That's what fraudulent friends do. So if I needed somebody to verify rent or verify somebody's rental history or employment, she had a cell phone, she would answer that sort of thing for me. Well, what ends up happening is she gets in trouble. She starts doing fraudulent loans for some guys, and these guys are doing what's called a cashback scam. So they're getting a half a million dollar loan on a house that's worth \$300,000. So they're buying the house for whatever, 600,000. It's really only worth 300, 350. But she happened to be in an area where she could get the appraisal jacked up. So they buy the house, they get \$2-300,000 back, and it's a straw man's scam, right? It's a cash back straw man's scam. So this is a real person that's buying the house. He's got perfect credit, but he's willing to ruin his credit to get a couple 100,000 in his pocket. So he never has any intentions. So it's not a synthetic identity. It's not a stolen identity. It's a straw man. He's not a fake person, but he's just a straw man. He's a stand in. So he stands in, he signs the paperwork, he buys the house. They end up getting \$2-300,000. Well, this guy buys like 5 houses, so it's \$2-3 million. They've lost six, \$700,000 and these guys never even make the first payment. They just let them go into foreclosure. So the bank immediately investigates and realizes this is fraud. So the FBI comes in, they grab Pete and Gretchen. She has to hire an attorney, of course, and she doesn't get thrown in jail or anything. They just come to their office and they tell them they're investigating them. They know what's going on and they're like, "Well,

look, we want to talk to you. You're going to be indicted." "Okay." So she comes to me. Well, actually Pete came to me and said, "Look, Matt, can you refinance our house and get us 75,000 out to pay our attorney?" I said, "No problem." Gretchen gives me W-2s, paystubs. The whole thing's fake. I refinance. I get a second mortgage on her house. \$75,000, they pay their attorney. Their attorney immediately says, "You need to wear a wire on this guy. He just got you \$75,000. I don't know how you got \$75,000. The attorney knows something's wrong because the attorney's like, "Your whole mortgage company was just shut down. There's no way you could borrow \$75,000." So he is like, "This guy's doing fraudulent stuff." And she says, "Yes, of course he is." And he says, "You need to work with the FBI, wear a wire against this guy." So she calls me one day and says, "Listen, I got to talk to you. The FBI is asking questions about you." And I go, "What?" And she goes, "Yeah." I was like, "Meet me at the pizza place down the street. So don't come into my office," because everybody knows she's been indicted. Everybody in her office quit. When the FBI shows up and gives you a business card and announces they're the FBI, everybody quits. So I said, "Don't come here." Because they already know they're already concerned. So I go and I meet her and Pete, and we sit down at a restaurant, a little pizzeria. I sit down and she starts telling me that the FBI is asking questions about me. And I'm like, "Well, what are you talking about? What are they asking?" And she goes, "Look, they came in, they took all our files." And I was like, "I didn't know any of this." I'm like, "When did this happen?" She's like, "A couple of weeks ago and they have some of your files." Because I had closed several loans for my wife at the time. We were buying rental properties. My wife didn't have a job. So it's all fraud. But I could not close those loans at my mortgage company because I own the property. So I'm selling those properties. I bought properties, renovated them, and sold them to my wife to get around something called seasoning. Seasoning says you have to wait 6 months to a year to refinance at the market value. Otherwise, if you want to refinance, that's fine, but you have to refinance at the price you purchased the property at. But I bought these properties for 80 or 100,000, renovated them, sold them for two, 300,000 to my wife, who didn't even get a big mortgage. We were just trying to get around a guideline. But my wife was not working, and I provided W-2s and paystubs. So when she says all this, she says, "They're looking at the loans you gave me, at your wife's loans." And I went, "Oh my God." I said, "Well, you didn't tell them that the W-2s were fake, did you? You didn't tell them the paystubs were fake, did you? You didn't tell them that the down payments were? You didn't tell them that we were married, did you?" I mean, just absolutely buried myself. And as I'm telling her this, I kind of caught myself and I went, "Okay, wait, wait, wait a minute. Look. Okay, here's what you're going to tell them. You're going to tell them you never met her. She called on the phone." I start trying to devise a plan that will answer their questions without getting my wife in trouble or them in trouble. And if nobody cooperates, the whole thing should shut down. It doesn't go anywhere. There's nowhere for them to go if everybody just kind of stonewalls them. So as I'm saying all this, Gretchen says, "Matt, we can't lie to the FBI." And I go, "What are you are you talking about? You're already lying to the FBI. I mean, you've been lying to the FBI. I mean, I just refinanced your house." And before I can really say anything, Pete jumps up, her husband stands up, and he says, "We've never lied to the FBI. We may not have told

them everything, but we've never lied." And I thought, "Who are you talking to?" I know that's not true. So you're not saying that for my benefit. So I kind of look at them and I'm like, "What?" And I remember looking down, and this may mean nothing, but both of their cell phones were right next to me, right? And I remember they were probably just wearing wires. But I just remember thinking, "Those cell phones are microphones." They probably weren't. But I remember thinking, "Oh, wow." And I looked at her and I went, "Wow." And I said, "Well, I hope you're going to get something for this." She immediately starts crying and she says, "Matt, I'm sorry. I have a kid. I can't go to jail."

**Lex Fridman**

Do you have kids at that point?

**Matthew Cox**

Yeah, I have a kid. I have a kid. And I was like, "Wow."

**Lex Fridman**

What have you learned about friendship from that? Loyalty?

**Matthew Cox**

Oh, there's no - it's sweet.

**Lex Fridman**

That must have hurt.

**Matthew Cox**

It's cute. I mean, I love the idea of it.

**Lex Fridman**

You don't think that?

**Matthew Cox**

No. I'll tell you why. So I go back to my office. I remember I told her, I said, "Tell the FBI agent to call me on the phone. Do not come to my office." So I go back, I'm still trying to figure out how to weather this, right? I go back, I sit down. The phone rings. My secretary comes in and says, "Hey, Agent," I'll never forget the guy's name, "Agent Scott Gale with the FBI." And I was like, "Okay, he's on the phone." She's standing there. I was like, "Close the door. Get out and close it." She's like. So I get on the phone. He asked me if I'll come down. I said, "Yeah, absolutely. Let's schedule it for next Tuesday." I put it off 4 or 5 days. I go to my brother-in-law immediately, who's a lawyer. And he says, "Oh, yeah." I don't really tell him exactly what's going on, but I tell him, "This is what's happening kind of and I may be in trouble. I need a federal defense attorney." I don't even know what a federal defense, I don't even know the difference. But he said, "You need a federal defense attorney. It's the FBI." So

we meet a couple lawyers. I end up getting a lawyer. I give him 75 grand. Initially, he had me convinced I was probably going to go to jail for a few years, but really that's what they kind of do to justify you giving them \$75,000.

### **Lex Fridman**

Right.

### **Matthew Cox**

But the more I thought about it and read, he gave me the guidelines, that supposedly the fraud that I had committed and the guidelines that oversaw that. And I read it and I was like, "I'm not really in trouble here because I'm looking at a felony, but I'm not going to go to jail." Because there was no potential for the bank to lose money. Because I bought the house with a hard money loan and then I renovated it with my own cash. And when I sold it, it appraised at 250,000. My ex-wife borrowed 180. So there's plenty of equity. If the whole thing had gone into foreclosure, they still would've got their money back. And to be honest, by the time all of this happened, there was only three properties. It was five, but we'd already sold a few. At this point, we'd just sold another two. There's like one or two properties left. So at that moment, we were selling them. So I was like, "No," I kind of argue with him. But then he wanted 75 grand. I gave him 75 grand. And then he comes back and he says, "Good news. There was no potential fraud. So I can get you 3 years." Now here's the thing, here's what I always kind of look back at. When I first went into his office, he said, "Listen, you haven't been indicted yet. I spoke with the FBI, I spoke with the US attorney, they believe, and they've been told..." He said, "Look, they didn't tell me exactly what they have, but they said what the evidence that they have on you based on two confidential informants, that you cannot go to trial." And I was like, "Right." of course I knew that one. And I was like, "Okay." He said, "But you haven't been indicted yet and they are fairly certain that you're running a mill, right? A fraud mill over there, and that you guys are churning out fraudulent loans." "Now they can't come and raid your office and do anything about it yet because so far they only have you. But here's what I'm saying," he said, "I can keep you from being indicted. It's called a pretrial intervention where we go in and what we'll do is you go in, talk to the FBI, you go grab a bunch of your mortgage broker's most egregious files. Grab them, bring those files to the FBI. Go work with the FBI, they will indict them and you will not be indicted." And I said, which I kick myself to this day. I said, "Absolutely not. I'm not going to snitch on them. I'm not going to cooperate. I'm not going to," I'd seen the Godfather, you're not supposed to cooperate. You're supposed to be loyal. "I'm not going to do any of that." And so I say all of this where looking back, if I could go back in time, I would've gone into our weekly meeting with a dolly and I would've walked in front of everybody and scooped up two or three of the file cabinets and put them in the back of a truck - of everybody and scooped up 3 or 3 of the file cabinets and put them in the back of a truck and said, "Listen, you guys are going to be talking to the FBI soon. I suggest you get attorneys." And I would've driven off but I didn't. I thought, "No, be loyal. Don't do that." And what happened was when the other thing falls apart, when the next scam falls apart, every one of these people go to the



FBI. Like they're not even coming to them. These guys are going to the FBI with lawyers. "I want to cooperate. I want to tell you what Cox did. I want to help. I want to..." And I'm thinking I never had to get indicted to begin with.

**Lex Fridman**

So you think that most of these people - from your experience - are going to sacrifice all integrity. That's a funny word, sacrifice -

**Matthew Cox**

I'm not sure that applies to this, but that's alright.

**Lex Fridman**

They're going to sacrifice friendships and loyalty just to save their own ass.

**Matthew Cox**

Yeah. I only had one person that did not talk to the FBI. I had one person that every time the FBI or the Secret Service went to that person's door, she said, "Don't come to my house again. I don't have anything to say about Matt. I have nothing to do with any of this. Talk to my lawyer." And this happened over and over again. And that's my ex-wife. She's a gangster.

**Lex Fridman**

So are there people in this world you trusted or you still trust?

**Matthew Cox**

The problem is eventually I cooperate. And at the time, I didn't want to cooperate. I didn't believe in cooperation. But after seeing how many people cooperate and the way the system is set up, I think that my understanding of loyalty is vastly more realistic now. And I think that if you are committing crime, if you are absolutely like the things I did, I did a bunch of scumbag things. I mean, I'm not killing people, but I'm doing scumbag things. I'm lying, cheating, stealing. I'm a thief. You boil down to it. That's what I am. So you can't go around behaving like a scumbag, dealing with scumbags and then expect those same scumbags to suddenly abide by some kind of a street code and not roll over on you. And it does happen, but it's in the 90 percentile of people that cooperate, 90 something percent. And people cooperate when they're not even looking at any real time. So if you're looking at 30 years, and especially after going to prison, you go to prison and it's like this guy's a standup guy over here, he got 30 years. He could have cooperated against all of his co-defendants but he didn't. Nobody comes to see him. His wife divorced him. His kids ended up in foster care. His friends are cleaning out his house. Nobody puts money on his books. Nobody comes to see him. Nobody answers his phone. Nothing. He took 30 years. Most of those guys turned around. They end up getting indicted for other things. Years later, they cooperate. And the best thing this guy's got going for him is that he can walk around

and say, well, he's a stand-up guy. That guy's going to the same halfway house as me. He's going to do 30 years where I'm going to do 10.

**Lex Fridman**

A stand-up guy meaning he never snitched.

**Matthew Cox**

Right.

**Lex Fridman**

And so everybody's seeing this example and saying, "Well, I'm going to snitch then." But it sounds like what people are doing is they're virtue signaling, like they would never snitch and actually do secretly.

**Matthew Cox**

I mean I remember I talked to one of the COs at the prison one time and I said, "Shit, 50% of the guys here snitched." He goes, "It's more than that." "But listen," he goes, "a hundred percent of them are lying about it." He said, "There's nobody here that's going to tell you they snitched. Nobody." So there's guys, tons of them that cooperate. If 80-90% of defendants cooperate, you start doing the math. And if you ask 10 guys in prison, all of them say, "I didn't cooperate. I didn't cooperate. I didn't cooperate." Okay. Well, you ask a hundred. "I didn't cooperate." Nobody's going to say, "I cooperated."

**Lex Fridman**

Does that break your heart a little bit that people back stab each other like this?

**Matthew Cox**

It does. It does but I have such a low opinion of people. You know what I'm saying? I don't expect - it's not that I don't like people. It's that I just don't expect anything of them. I don't expect you to look out for me. There was a time when I did. I thought, "I look out for you. You should look out for me." But I just don't expect that anymore.

**Lex Fridman**

See, but I think humanity flourishes because there is a lot of people out there that do the thing that is difficult to do in terms of integrity.

**Matthew Cox**

That may be but these aren't people with integrity. These are criminals. If these were decent human beings, and all of them will tell you, "Well, why'd you do that?" "Oh, I was a drug addict" or "I needed the money." Well, if you were a decent human being, you would have gotten off the drugs. You would've gone and gotten three jobs. You can work 80 hours a week. I've done it. You can work 84, 85, 80. You can work 90 hours a week. You can do that.

"Oh, I did it for my kids." No, you're lazy. You could have worked three jobs for your kids. Instead, you decided to sell methamphetamine. "Well, I was addicted." You could have gotten off meth. It wasn't important. It was the easy way out. You're not someone with integrity. So for you to sit there and say, "Hey, I'm going to act like a scumbag, but now I got caught or you got caught and I don't want you to tell on me." Well, you're a guy that robs banks. You stick guns in people's faces. You kidnap people, you torture people. You sell drugs. You're not a moral, ethical person, but you want everybody else to hold up to some ethical code while you're robbing grandma. That's not right. So I get the whole omerta code, and there was a time when I was delusional enough to believe that. But after going through it, no. And after going through it multiple times, no.

### **Lex Fridman**

I have to really think about that. I deeply appreciate your honesty on this. There's all kinds of criminals in this world, and they all have all kinds of stories. And your story is one of - I don't know if it came from desperation versus a love of this kind of game. Like wasn't part of it an attraction to the creative aspect of this, of breaking the rules when nobody else can and you figure out a way to do it?

### **Matthew Cox**

I think initially it was I needed the money. That's the first thing. You say, "Oh, okay. Well, I need..." And if you ask most guys, "Oh, well, man, I needed the money." You needed the money. And I definitely needed the money. But then you get \$50,000 in your bank and then you get a hundred, and then it's 200, and then it's half a million and then it's a million. And what the hell are you still committing fraud for? You've got half a million or a million dollars in the bank or worth of real estate, or you're making five, \$10,000 a month just in rental income. Why are you still committing fraud? So I think it morphs into the creativity, in part, for me. And two, it was a chance for me to prove to everybody how smart I was. It was done out of desperation initially, and then it just turned into pure narcissistic arrogance. "Look at me, look at how I can do things that nobody else can do. Look how smart I am. I just walked into Bank of America, handed them seven documents that were all fraudulent and they cut me a check for \$250,000. Like, wow, I'm amazing. And guess what? They're never going to get their check. And they won't even know where to start to try and find the person because they're looking for a phantom." And you feel great. I felt great. I felt like James Bond. I felt like 007. It was amazing. And it feeded my need to feel important, even if that was a lie, because all that success was just a lie.

### **Lex Fridman**

Well, no, you were good at it.

### **Matthew Cox**

I was good at it, but it's not -

**Lex Fridman**

It was illegal.

**Matthew Cox**

It's not like I'm Elon Musk. You know what I'm saying? It's not like I'm an exceptional human. I'm an exceptional human being at a horrific thing, at committing fraud.

**Lex Fridman**

Well, the question is how many people are getting hurt? Because-

**Matthew Cox**

The thing is, initially, nobody got hurt. That's the thing. Nobody ever lost any money directly. I didn't go and say, "Give me \$50,000" and I ran off with your money. I wasn't doing that. And that was a great justification. But at some point, and we'll get into that, I take off on the run and people do lose money. I didn't take that money directly. And for some reason, in my sick mind or whatever the case may be, that seems like a distinction to me that makes me feel okay, is that I never said, "Give me 300, give me \$10,000," and I ran off with it. But I put people in a position where I damaged the title to their house and they had to go get a lawyer to fix that and so they had to go pay a lawyer \$10,000. So I absolutely caused that person - to me, it's you're a victim and I owe you that money. And it was a shitty thing to do because, even at the time, I was like, "Oh, they'll make a couple of phone calls, it'll be fine." It wasn't fine. And if I had really put any thought into it at all, I would've known it's going to go to really affect these people. And those people had done nothing wrong with the exception of trusting me. They rented me their house or they owner financed their house. They made the mistake of bumping into me and now they owe \$10,000, \$20,000 and I'm sure a ton of anguish.

**Lex Fridman**

So what happened when you were caught that first time?

**Matthew Cox**

So I was caught. I got 3 years probation. I took the probation.

**Lex Fridman**

What does that involve?

**Matthew Cox**

Initially, it was just a slap on the wrist.

**Lex Fridman**

Were you allowed to still practice -

**Matthew Cox**

Okay. So I wasn't. I couldn't own the mortgage company anymore. That was a good question because you would think wouldn't it be great if I could keep on going? But what they said was you have to forfeit your brokerage license and your brokerage business license. And what I did was I transferred my brokerage business license to a guy that essentially bought my business. They allowed me to work as a consultant in the mortgage industry because my lawyer goes to the judge and says, "What else can he do?" And so I have a friend, his name's Dave Walker. He was a CPA. He came in and he bought my business and he paid me like \$9,000 a month and that covered my bills. My wife and I got divorced, so she's my ex-wife. And I don't know what to do. I could have - you look back and it's like I could have claimed bankruptcy. I could have moved into my parents' spare room, something like that, because I lost everything in my divorce. I had huge child support payment. Not that that has anything to do with my ex-wife. I absolutely signed up for that. I wanted to pay that but it was a chunk of change. So we're talking about a couple thousand dollars a month for child support. She got all of the apartments that we had. We had about a million, million and a half dollars' worth of apartments, which isn't a lot now, but that's probably five or six million dollars now. So she got all the apartments, so she got everything. So now I'm sitting here/ I can't be a mortgage broker. I can get my \$9,000, but I have to help this guy run this company, train people, do that sort of thing. So what I decided to do was I was going to start flipping houses.

**Lex Fridman**

Legitimately or not?

**Matthew Cox**

Well, initially, I thought about doing it legitimately but at the same time I was also in the middle of figuring out how to make these synthetic identities. So I'm making the payments every month. Remember? Two months in, 3 months. No credit scores. No credit scores. No credit scores. And I'm also saying I'm going to start buying houses, renovate them, sell them. So the truth is we actually renovated probably one house completely. I remember it was on 26th Street. We renovated the house completely -

**Lex Fridman**

On the outside and the inside?

**Matthew Cox**

Yeah, outside, inside. It's done. It's good.

**Lex Fridman**

Okay, great.

**Matthew Cox**

Me and this guy, actually Dave, Dave Walker, the guy that bought my business. So we renovate it and it just so happens at the same time, I go to pull credit one day and, wow, 700-plus credit scores. And I went we don't have to sell this thing at all. I can sell it and put it in this guy's name and let him refinance it. So that's what we did. I ended up selling it to this synthetic identity.

**Lex Fridman**

Do you remember the first synthetic identity, the name?

**Matthew Cox**

The first one was a Joel Cologne, and then I started getting creative because the ones after that, I started naming - so, I had Joel Cologne and an Alan Duncan, but then I - do you remember the movie, "Reservoir Dogs"?

**Lex Fridman**

Mmhmm.

**Matthew Cox**

So I started naming the characters after guys in the "Reservoir Dogs". So I had a James Red, I had a Michael White, Lee Black. I had William Blue, David Silver, Brandon Green. So then I start developing these guys. Now I thought, "Oh, forget those normal things. I'm going with the 'Reservoir Dogs'." And I thought it was so cute too.

**Lex Fridman**

Do you think, in retrospect, that was a mistake?

**Matthew Cox**

It was so stupid. That was just - there's so many things, so many mistakes I made. I mean within the fraud there are mistakes I made, but other than just the overall committing fraud, but it was just like I thought it was so cute. And then you get in front of the judge and the judge is hearing about the "Reservoir Dogs" and Mr. Green and Mr. Black - Mr. White - Mr. This - Mr. That. And he's looking at me just like, "You jackass." And what am I saying? I'm like, "Yeah, I thought that was cute." But nothing's cute. Plus I'm making fake banks.

**Lex Fridman**

What's the purpose of the fake banks?

**Matthew Cox**

Well, sometimes you have to have your down payment in the bank. So, they want 3 months worth of bank statements to see that, "Hey, he's got his \$50,000 in the bank." And then the more properties you buy, they start to want to see what's called reserves. They want to

make sure that you can pay all your mortgage payments. If this guy loses his job, can this guy maintain all these mortgage payments for the next 6 months? And, see, they do that and they think you're going to go, "Oh, no, he can't do it." They go, "Well, then we won't lend it." Well, when they do that to me, I go, "Of course, I do. Of course he's got it. Let me send you over the bank statements. Oh, you want to call the bank? Call them."

**Lex Fridman**

So there's a phone number. There's a website.

**Matthew Cox**

Yes. You can call. We'll get on there. I'll do the whole, "Hold on. Okay. What's the name again? Do you have the account number? Hold on." You wait a little bit and you come back. "Oh, okay, I got it here. I can't tell you the exact amount right now, but what was his balance last month?" And you tell, "Oh, yep, that's it. Exactly. Okay, thank you." Click.

**Lex Fridman**

Would you do different voices or would you be -

**Matthew Cox**

No, I've done different voices or I'd just have somebody else do it. Gretchen would've done it or one of the brokers. Susan would've done it, one of the brokers that worked for me, or Kelly or Johnny Moon. I have so many guys and they just get on the phone and they do it because they're all doing something fraud and we're all working together. So, "Hey, I need you to call this guy. I need you to call this guy and verify this." And say, "I'm at the bank? Okay, I'm at the bank. Okay, cool." And they call back and -

**Lex Fridman**

Does this feel like an organized system or was it more improv, just like dealing with the different situations?

**Matthew Cox**

The government would definitely say it was organized. I always say it was - you're a bunch of - you're just a bunch of guys - it - you're joking around with everybody, and you're helping each other, and it's not like everybody's kicking up to Tommy.

**Lex Fridman**

And then all these new puzzles come up and you figure out ways to solve these puzzles.

**Matthew Cox**

Right. You go in and you say, "Hey, I've got this loan. I need to get this loan. If this guy's trying to buy this house and I need a loan that looks like this, where can we go?" And by the way, they cannot order a copy of his tax returns, so you don't want to have to sign what's called a

4506. So they're like, "Oh, okay. Listen, so-and-so's got a program." And you go back and forth, "but you have to have this much in reserves. But you got the bank?" "Yeah, yeah, I got the bank. I could do that." So you go in and you throw it out there to five or six guys and you're going to come up with an answer.

**Lex Fridman**

So you're on probation here. Just to self-reflect, did you start doing this while on probation because of the money or because it gave you meaning?

**Matthew Cox**

God, I mean a big part of that, the reason is I did not want to move back in with my parents and I didn't want my father to see me struggling, and I didn't want him to - my success, he had no idea. My success had been the first time he'd ever really been proud of me. Does that make sense?

**Lex Fridman**

Your financial success?

**Matthew Cox**

Yes.

**Lex Fridman**

At which point? When was the first time you told him you did something and it was like you could sense him being proud?

**Matthew Cox**

Oh, when I became a mortgage broker. When I became a mortgage broker and I went to work for the company, and we're talking about within a week I got a client. 3 days later, I got a client. A week later, got a client. 2 days later, got a client. I closed four loans my first month and my dad was like, "Well, how much money are you going to make?" And I'm like, "Well, I'm charging this much, this. I got a point on the back. I got this. Boom. I'm thinking I'm going to walk home after taxes like 10, 11,000." "Jesus God Almighty, are you serious? Well, see. Don't start counting your chickens before that." And then, whatever, three weeks later, four weeks later, boom, I got a check. It's like \$9,000 or something. And then the next month, it's 12 and the next month it's 16. And then they make me a manager and it just -

**Lex Fridman**

He didn't know any of it was illegitimate.

**Matthew Cox**

No, he thinks, "My son, he's brilliant. He's great. He's wonderful." Was certainly not proud of me prior to that. But my dad was athletic. He was extremely bright. I mean brilliant. And I



was a kid who had to be put into special schools, who barely graduated high school, who ended up going to college and getting a degree in fine arts because I was never going to be able to get a degree in business. It wasn't going to happen. So when I graduated college, I remember, with the degree in Fine Arts, he said, "The best thing you could do with that is maybe you could draw caricatures at Disney World." You know what I'm saying? Which wasn't a compliment. It wasn't like, "Hey, you could draw." And then, I turned around and I tried to go to work for State Farm Insurance which is who he worked for. He worked for them for 40 something years, and I failed the aptitude test. So then I went and worked for another insurance company and I was an insurance adjuster, but I couldn't keep up with the workload. Then I end up working construction. I'm still barely paying my bills. That's basically where my dad felt like that's - he was polite to me. We were cordial. But yeah, I think he felt he deserved a better kid.

**Lex Fridman**

Well, when you started doing mortgages, that's when he was like -

**Matthew Cox**

Of course. He was like-

**Lex Fridman**

This kid's got something.

**Matthew Cox**

I was driving a new - I just pulled in in a new car and I just bought a house that was four or five blocks away from his house, from where I grew up, from where he lived at that time, six blocks away from where my sister's married to her lawyer husband. I'm doing pretty good. And then, within 3 months, my new wife, we buy a quadplex, and then we're buying a triplex and another quadplex and a 10 unit and a duplex and another duplex and a quadplex. And it's like what the hell's going on? This guy is blowing up. He's going on vacation here and vacation here. So when the FBI comes in and they indict me, and I take the 3 years' probation, probably the worst thing in the world other than going to prison would've been just having to just sell everything and go move in and start over and sell used cars. Not that there's anything wrong with selling used cars, but I just felt like I just didn't want to disappoint him any more than I already had. So I thought, "I'm going to flip houses and then I'll start maybe a development company. So I'll buy some vacant lots and all this and that." The problem is these houses I'm buying for 50,000, if I fix them up and sell them, maybe I make \$20,000, \$25,000. And then you got to find a qualified borrower. It's very hard to find a qualified borrower that wants to live in Ybor City back then. I still think it's rough but those same houses are going for three and 400,000. So I'm buying houses. I got to get qualified borrowers. I do all the renovations. It's a nightmare. Looking back, it's like, "Well, then you got to bite the bullet. It's just what you have to do." I didn't want to do that. I didn't want to do it. Whether it was laziness or, I don't know, I just thought, "I'm good at this. I'm going to run.

I'm just going to start running a scam. I'm going to figure out how to drive the prices up, buy the houses for 50, record them at 200,000, and then have these synthetic identities, buy all the properties, refinance them, pull out the cash, make 6 months worth of payments, let them all go into foreclosure." And that really, really started working well, very well. I had one time where I had a guy, it was James Red, the synthetic identity was James Red and he had bought two or three houses, and there was somebody at the office who was friends of somebody who knew the title company where we were closing the loans, and he called her, her name was Mary, and said, "Mary, this guy, James Red, like Cox is doing something shady. James Red doesn't even exist." She goes and looks at her last couple files and she realizes, of course obviously, this guy never showed up. She remembers Cox picked up the files, and he's saying he doesn't exist. So she freaks out. She calls the mortgage broker. Mortgage broker calls me, mortgage broker calls me up and says, "Listen, Mary said she's not closing the next loan unless James Red shows up." And I went, "Wow, that's a tough one." And she's like, "Okay, so what do you want to do? Do you want to go to another title company?" We're supposed to close in 3 days - 2-3 days. I said, "Well, I mean he's going to have to show up then. I'll figure it out. Give me a couple of days. Let me figure this out." And she's like, "Okay, well, I don't know how that's going to happen. He didn't exist." Keep in mind at this point I don't need IDs. I don't need a real ID. I figured out how to make a real ID. I could make one. I could take sandpaper and sand off the information on a regular ID, and then I would print the corrected information in reverse on a piece of transparency, and I would glue it over there and you could still see the holograms and stuff. It actually worked pretty good. It's not going to pass mustard with a cop but somebody at the bank like I was able to go in and I would open a bank account with it. Well, so one of the things I had done when I was closing these loans was I would go online and you have to pick a photo of somebody to put on the driver's license. So I'm not making a fake ID for all these guys because I don't need a fake ID for all these guys, not with my picture on it, but I need a copy of an ID, but I need a picture. Where do I get the picture? So I go to Hillsborough County's arrest website, and I would find people that I knew that had been arrested. So I found a guy named Eric Tamargo who had been arrested. He had, I don't know what it was, a DUI or domestic violence. I forget what it was but there was a picture of him. So I print out the picture, I cut it up, I paste it onto a driver's license, and I make a copy of it for James Red. That's what I've been giving the title people. When I would close, I'd sign all the documents and I'd leave them that copy so that it looked like they made a copy of it. And then they would notarize all the documents, even though they'd never seen this person. They have a copy of his driver's license. Everything's signed. Cox said he signed it. It's good, notarized. Here's your check. So what I do is I think let me see if I can get Eric to do this. I knew he'd been to prison before, so I call up Eric and I remember one of my buddies like, "He's never going to do this." And I was like, "I think he will. I think he will." And that's really that kind of like, "You think? What do you think? No." "Let me try. Let me call him." "I don't know, bro." That's the kind of conversations you're having but really, looking back -

## **Lex Fridman**

I would love to hear the opener few sentences that you have with him.

## **Matthew Cox**

I can tell you exactly what I said because it's burned in my mind. He comes in. So what Eric was doing at that time, he was actually working for us. He worked for somebody else, but periodically we'd buy a house and we'd call him up and we'd say, "Hey, can you and your boss, can you guys come over and trim the trees of this house? Trim all the trees, take all the crap in the yard, clean it up?" They go, "Yeah, sure, no problem." Because that's what he did, worked for a handyman service. So they would come and they'd clean it up and they'd do that. So I said, "Can you come over?" And he goes, "Yeah." So he comes to the office, whatever, a few hours later, and he comes in the conference room. I said, "Hey, Eric, what's going on?" And he says, "How's it going?" I said, "Listen, I'm going to tell you something. I need a favor." He's like, "Okay, cool. What is it?" I said, "You know all these houses we've been having you go and clean up?" He's like, "Yeah." "You painted that one house. You did this." "Yeah, yeah, yeah. I know. I know." "Right. So here's what we've been doing. I've been buying these houses for \$50,000, recording them for 200, and then I have these fake people buy them." And I explain, I just lay it out for him and he's like, "Wow." He's like, "Fucking, bro, that's ingenious, man. That's smart." Like, "Wow." I was like, "Okay. Yeah, I know. That's great. So here's the thing." I said, "The title company, who's been closing some of these loans, and we have a closing in a couple of days, she wants this guy James Red to show up, and I need someone to show up as James Red." And he goes, "Wow." He goes, "Who are you going to get to do that?" And I was just thinking just like, "You're not understanding. I'm not confiding in you because I need a friend." And I looked at him, I said, "Well, I was thinking you might do it." He was like, "That's a big favor." I said, "It is a big favor." "I could be in a lot of trouble." And I said, "I know." And he goes, "Well, wait a minute. I can't go." He said, "You have to give these people a driver's license. You said the driver's licenses, you were using mugshots. You said she's closed a couple of these. She's seen this guy's picture." And I go, "She has seen his picture." I said, "The thing is for James Red, I pulled the mugshot offline of you when you were arrested a couple of years ago." And he jumps up and he goes, "You motherfucker." And I go, "Whoa, whoa." I said, "Eric, wait a minute. Hold on, hold on." I said, "Listen, I only did that because I knew if it came down to this moment, you were the only person that I knew that could pull this off, that'd have the balls to walk in and do it." And he sat there and he went, "Yeah, you're right. You're right." And I couldn't believe he fell. Listen, this guy would beat the brakes off me. He's like five ten, five eleven. He's boxed. He's a big guy. So it's like I've weathered that part of the storm. And he sat there and he goes, "Right, right." And he goes, "Well, I'm not doing it for free. I'm not doing it for nothing." I said, "No, bro, of course not." He's like, "You're making a lot of money." I said, "Well, keep in mind a lot of that money goes back in the property. It's not like we're walking away with..." I think I said tens of thousands. We're really walking away with hundreds of thousands. "It's not like we're walking away with a bunch of money, Eric. We got to buy more properties. We got to keep it going. We got to make the payments." "I know but still I could get in a lot of trouble." I said, "I understand, bro."

I go, "Well, what do you want?" And I remember thinking if he asked for more than 10 or 15,000, I'll do it myself. We'll just change title companies and we'll go and I'll do it myself. And he sat there and he went, "I want \$500." And I went "\$500?" Listen, I almost started laughing. I put my hand over my mouth. I was like, "\$ 500? It's going to take you 30 minutes." And he's like, "I don't care, bro. I could get in a lot of trouble." I was like, "Well, I'm not paying you now. You got to sign first." And he's like, "Oh, you know I'll sign. I'll sign. I know you're good for it." For 500 bucks. I made a fake ID for him. He goes into the place, he signs James Red. Comes out. What was funny about that was when we walked into the title company, we're sitting in the lobby and Mary comes walking out, she looks at me and she goes, "Mr. Cox. I don't know why you're here." She goes, "I told Kelly." - that was the broker. "I told the broker that I'm not closing the loan unless James Red shows up." And Eric stands up on cue and he goes, "I'm James Red." And she goes, "Hold on a second." She runs in the back, comes back with a file, opens it up, looks at the picture, and she's like, "Oh, I'm so sorry. Give me 5 minutes. I've got the file." Prints up the docs. He goes in, signs. And when we're there, she's passing out the checks, 5,000 here, 25,000 here, 35,000 here, 7,000 here, 6,000 here. So he sees all these checks and I'm like, "Oh, I got that. I have the construction company. No, no, no, I have that. I'll take care of that. I'll take care of that." So I get all the checks and I leave. We go sit in my Audi and he sits down and he's like, "Bro, that's a lot of money." "A lot of that money goes back into the properties, Eric." And he's like, "Ah, still, bro." And I counted out 500 bucks. But listen, a week later - and I counted out 500 bucks. But listen, a week later, we had another closing. So he comes in, I said, "Hey, bro." He says, "Hey, what's going on?" And I said, "I need you to do the James Red thing." He goes, "Yeah, I've been thinking about that. I did that way too cheap." I said, "I get it, man. Well, how much do you want? What do you want?" And I'm thinking, "If it's more than 10 or 15, I'll do it myself." He sits there and he goes, "I want a thousand dollars." I go, "A thousand dollars, oh my God." So, I gave him a thousand dollars and he did another one. But by that point it was like five or six. We'd done five or six with that guy. After five or six plus the credit cards, plus all the other things, their credit scores start dropping. If it was 700, now it's down to like 600. And at 600, you couldn't really borrow enough to make it worth it. So I go, "No, I have other people in the wings, waiting." I'd go out and I'd run up the credit cards and pull all the money out of the banks and close the accounts and then stop paying.

**Lex Fridman**

And you said a lot of people knew.

**Matthew Cox**

Yeah.

**Lex Fridman**

So, he was one of the people and then -

**Matthew Cox**

He was one of the people.

**Lex Fridman**

Why do you think nobody said anything?

**Matthew Cox**

Well, I mean, I think everybody was making money. At that time, I had an appraiser. Eventually I ordered appraisal software and I just start doing the appraisals to myself. Why give this guy 500 bucks?

**Lex Fridman**

So you were doing the appraisal yourself? How's that possible? Is there a check against that, is there-

**Matthew Cox**

There is. It's funny. Nobody ever questions that. You actually have to have a license to get the appraisal software. So, I get an appraiser's that we're working with, I get her license and I create an email address as her.

**Lex Fridman**

Ah, so it was a synthetic appraiser.

**Matthew Cox**

Right, it was a real person. But I ended up ordering the appraisal software by emailing, it was called Alamo Appraisal Software. So, I end up emailing them as her, and they go, "Well, we can't sell you the software unless, we need a copy of your license. Boom, here's your license." So, I send them the license and then we paid for it with a credit card. You could go get a green dot card, you go put 500 bucks on it, or a thousand. The software was like 1500 bucks or something, back then, it was a long time ago. So 1500 bucks, they mail it to us, and now I've got the software. So, now I can do the appraisals myself.

**Lex Fridman**

What stops you from appraising it, not for 200,000, but even more.

**Matthew Cox**

There's no comparable sales. So, no matter what you send to the bank, they're going to look at it. They're going to have, their in-house appraiser is going to do a desktop review. He's going to go online, he's going to check to make sure all the appraised, all of the comparable sales are sold for what you said they sold for, are the same square footage, were built, what the pictures look like, how far they are. He is going to double check everything, but he's some guy who's on salary and he does whatever, 40 or 50 these a day or something. It

doesn't take him long. So, it's cheaper that way, where we pay for the appraiser, appraisals, the whole thing.

**Lex Fridman**

Got it. So everybody's getting paid.

**Matthew Cox**

Right.

**Lex Fridman**

So at this point, I'm doing that, right?

**Matthew Cox**

Yeah.

**Lex Fridman**

And I'm getting caught periodically. Can you give an example? What do you mean getting caught?

**Matthew Cox**

I'm living in Tampa Heights, which is right next to Ybor City in Tampa. So, these are all little suburbs of Tampa, and they're all built back in the 1920s, 1890s, 1910s, 1920s. So, I bought this 8-unit building. I renovated it into a triplex. I mean, I'm driving an Audi. I'm dating a woman that I should not have been dating. I don't know what she was thinking. So we are going on vacations, everything, life's good. But every once in a while where things happen, you get a phone call, "Hey, this is what just happened." One time I got a phone call from same broker, Kelly. Kelly calls me up and said, "Listen, we got a problem." This was, I want to say this was Alan Duncan. This was one of the first ones that I had done. We used him. So, she calls me up and says, "Listen, Alan Duncan never made his first mortgage payment." I had a friend of mine, or one of my co-defendants, when we closed on that loan, we both got checks for whatever, 40 or 50 grand. Keep in mind, we're also buying, some of this money's going into a business account. We're buying property. So it's not like I'm pocketing hundreds of thousands of dollars or even 20 or \$30,000 on every closing. I'm more like, I'm getting 25, 10, 20, and this guy's getting 10 and this guy's getting 15, and then we're taking 60 and we're putting it into the business account. We're buying a bunch of vacant lots, or we're building some new houses. So we're trying to take all this and turn it into a development company. But we still have to pay our bills. So, my buddy's got to go to Amsterdam at least for two weeks. He's from Belgium. Apparently you have to do that at least once a year. When I gave him the check, I said, "Here's the 20 grand or 15 grand, but you got to make the payments on this thing for the next 6 months." He goes, "No problem." I said, "Okay." So, she calls me up a month and a half later and says, "Hey, Alan Duncan did not make his first payment." And I went, "Oh my God." He was actually renting the apartment downstairs for me. So, I run

downstairs and I open the door and I go, "Bro," I'm like, "did you make Duncan's payment?" And he turns around and he's like, "Is it due?" And I was like, "Oh my God." So I run back, I grabbed the phone, I'm like, "He didn't make it. He didn't make it." She's like, "Okay, well here's what's happening. The account executive is calling. They've got the file." It was South Star Bank. "South Star Bank has it. They reviewed it. They've already been ordering documents. They're said there's a problem there. It's falling apart. The whole thing's falling. They know something's wrong."

**Lex Fridman**

But they don't know exactly what. It's just something suspicious, or what?

**Matthew Cox**

She didn't tell me that on the phone.

**Lex Fridman**

Okay.

**Matthew Cox**

She's saying there's something wrong. They're freaking out. Because the account executive didn't really know. She just got a phone call saying, "Hey, have you ever met this broker? Did she meet the guy? Who is the guy? He hasn't paid. We're calling the sale. Nobody's answering." And really, most of this was my buddy Rudy's fault. He's just not doing any of this stuff, any of the things he's supposed to be doing. So, we go to the office and I call South Star Bank. I get the secretary and I said, "Look, I need to talk to," whatever the guy, the big guy was. One of them was the president and one was somebody else, vice president. So I said, "I need to talk to, So-and-So, the vice president." And she says, "I'm sorry, he's in a business meeting." I said, "Well, listen, tell him this is Alan Duncan. You need to go tell him its Alan Duncan's on the phone right now. I'm sure he wants to talk to me." And she's like, "Alright, hold on." I mean, 20 seconds later, speakerphone. "Hey, Mr. Duncan, this is so-and-so, and I'm here with our lawyer and the president of the bank and our head of fraud. We were just discussing you." And I was like, "Okay, I understand that I haven't made my first payment. I said, it actually came back in the mail. I had the wrong address. That was completely my fault and I apologize." I said, "But I can get you a cashier's check. Today I will overnight it, no problem. Hope that's going to be okay." They said, "Wait, we're way past that, way past that." I said, "Okay, well, what's the issue?" They were like, "Look, to be honest, I don't think I'm talking to Alan Duncan. I don't think there is an Alan Duncan. I mean, your Social Security number was issued a couple of years ago. We called the bank." We had gone with our SunTrust Bank, so it was a real bank, but it wasn't our normal bank. And they called. "They don't have any record of you." And I was like, "Well, I've never been happy with SouthStar Bank. It sounds like a banking error." And they're like, "Yeah, I don't think this isn't cute."

**Lex Fridman**

He says, "I don't think I'm talking to Alan Duncan right now."

**Matthew Cox**

Right.

**Lex Fridman**

And you were -

**Matthew Cox**

Terrified.

**Lex Fridman**

But you have to be playing it Cool, I guess.

**Matthew Cox**

What am I going to say? "No, you're talking to Matt Cox"? I can't say that. I'm just, got to keep running with it. Just like, "Okay, well look..." And he's like, "We called the DMV, they don't have a list for you in their website. We don't think you exist. We're still waiting for a phone call back from so-and-so and so-and-so." And I'm just like, "Oh my God." I said, "Have you called the authorities yet?" And they were like, "No, we haven't, but once we put our file together, we will." Then the head of the fraud department, they said, "Oh, by the way, Mr..." I forget his name, but the head of the fraud department worked for the FBI for 10 years or something, or 12 years. By the way, the broker is there and my buddy Rudy is there. And I mean, he's pacing the room, she's in tears, crying. And I'm like, "Okay, well fellas," I say, "Where's this headed? Where's this going? What are we doing?" So, they're kind of chuckling and joking about it. I remember thinking, "What's the deal? It's weird." And I said, "Look, let me just pay you back." They said, "Ah, we'll get the money. We're not worried about it." I said, "You don't seem worried about the money, about getting any of the money back. Why don't you just let me, I'll cut you a check. I can get you the money back. What do I owe?" I owed them 150 or something. I forget exactly. It was nothing. I'm like, owe you 150,000. Let me cut you check for 150,000. They were like, "No, no, we'll get the money back when we foreclose on the property." That's when I was like, "Oh, they think the property's worth like a \$195,000 or something." I went, "Oh," I said, "I understand. Okay, so do you have the appraisal in front of you?" They were like, "Yeah." I said, "Open it up." I said, "Take a look at comp number one. That's owned by a guy named name Lee Black. Comp number two is owned by whatever, David Silver," whatever the names were. I'm like, "Black, Silver, Red." I said, "I am all those people." And I said, "Let me tell you what I've done." And I tell them, just laid out, "Boom, boom, boom, boom." I said, "So you can call the FBI, but you're not going to get all your money back. Or you could let me give you your money back and we can let sleeping dogs lie. The whole thing goes away. I apologize. I had every intention of making all the payments. It's a glitch. You caught me. My bad." So, these guys are all just like, "Oh, my God." Now they put



me on hold, they're looking through the file, they come back. And I remember at some point we go back, forth, back, forth, and finally they come back and they said, "Listen, you still have the money?" I said, "Yeah." Well, first they come back, they threaten me, "Oh, well, when we give this to the FBI, you're..." I said, "That's not true." I said, "The money was deposited into a bank account. It has since been moved. The bank account has been closed. It's been removed in cash. That money has gone. You will never see that money. I will be cutting you, if I pay you back at all. It'll be from another account." So, the FBI agent ends up saying, "He's right. Even if we caught him red-handed, the likelihood that any of these funds will ever be recouped is zero." There's almost - no money is ever recouped. They put me on hold again and they come back and they go, "How quickly can you get us a cashier's check?" That day I go get them a cashier's check, overnight the cashier's check. They never called the FBI. They never did anything. Now, at that point, we actually ditched that Alan Duncan. I remember at that point we went to the mall, ran up all the credit cards and just threw everything away and walked away, because it was shot. That guy was shot. I think we borrowed, whatever, \$800,000 or \$900,000 in his name.

### **Lex Fridman**

So with the banks, it's really, really all about the money.

### **Matthew Cox**

Listen, when I go on the run, I got one where I was caught so red-handed, it's insane how bad it was. Listen, that's nothing. I got caught by Washington Mutual one time. I was caught by Washington Mutual where we had done 6 owner-occupied duplexes. So, if you say you're going to live in a house, you can get about 95% financing. But if it's an investment property, you got to put down 20%. You get about 80% financing. So, a buddy of mine who was a sheriff's deputy, we had his wife buy, I'm going to say 6 owner-occupied duplexes, saying she lived in every single one of them. Well, you can't owner-occupy 6 dwellings. That's fraud. Now granted, her W-2s and paystubs were correct, but she didn't put the down payments down. Even the down payments we didn't put down, we actually got cash back. But months later, the lawyer from Washington Mutual ends up calling the mortgage broker and saying that they ended up with 2 of the owner-occupied duplexes, because Washington Mutual had a credit line extended to one of the lenders who'd lent the money. So, it actually was Washington Mutual. So, it was a couple months later when they went to sell it, they package them together and sell them, they realized we have the same customer with 2 duplexes - side-by-side - both owner-occupied. This is fraud. She comes in. She tells me, "Oh my gosh. This lawyer's on the phone. This is what happened." I'm like, "Oh wow, this is horrible." I end up getting on the phone with him. We have a conversation and he's like, "Look, this is a big deal. We could call the FBI." I'm like, "Look, who knows who was involved in this? Maybe somebody on your side was involved, maybe somebody on my side. I don't know what my mortgage broker did. I'll deal with her on my own. Why don't you just let us refinance the properties?" Not only did we talk him into allowing us to refinance the properties, he gave us a reduced balance of what we owed him. Because we couldn't borrow enough to pay him off.

So, they took like a \$20,000 hit just to refinance those properties. Never called the FBI, never did anything. Absolutely fraud. I had a broker one time, we got caught with over a million dollars in loans that he had done that were fraudulent. Pinnacle Bancorp, which was out of Chicago, the owner called me, and he was like, "Look, your mortgage broker did this." There was a bunch of canceled checks. They were fake canceled checks. So, they looked like they had run through the bank for somebody's rent, but they hadn't. Does that make sense? You pay your rent, they deposit it, it goes to the bank and they've got all the numbers and everything. Well, I had a bunch that were blank, that all you had to do was fill out your borrower's information and then you cut and pasted his name and his address at the upper left-hand corner. You make a copy of it, it looks like canceled checks. We had 24 of them. Well, one of my brokers was using them for all of his files. Even if the person really had a rental history, he didn't want to order it. He just did this, it was easier.

**Lex Fridman**

It's faster, yeah. Wow.

**Matthew Cox**

So they catch a million dollars worth of loans. They called me up, and then they caught another million dollars, but they had already sold them to Household Bank. So, while I'm on the phone with the owner, his name's Gary, and we're talking, he's like, "Look, this is what we found. This is this. This is what happened." And I remember I said, "Gary, at the end of this conversation, if you think I'm cutting you a check for a million dollars," I said, "I just don't have it. I don't have it." This was when I owned the mortgage company. He says, "No, I'm asking you for your word that if any of these come back on us, they're in Florida, they're in your area. You'll help us get rid of the properties. We'll foreclose. We're going to have to resell them. I don't want to be flying down there. Just help us get rid of them." I said, "Absolutely, of course, no problem." I said, "Well, what are you going to do with them?" He goes, "Well, they're going to be a part of a package, like a \$3 million package we're selling to Household Bank." The other ones they had caught had already been sold. The ethical thing to do is to contact Household Bank, say, "We will buy those back. We are going to take care of..." It's not what happened. In fact, Gary flew down a couple weeks later, took me and several of the brokers, not that broker, but several of the brokers out to dinner, had a few drinks, and he openly admitted. He's like, "Look, I don't care if all the loans have fraud in them, as long as they don't come back on me. That's what I'm concerned about." Because there was a clawback clause for 1 year. He's like, "So, if they can perform for 1 year, I don't care." That was it.

**Lex Fridman**

How many people in the industry do you think are operating like this? And by this, I mean in the aforementioned gray area.

**Matthew Cox**

I would say there's probably, after the 2008 financial crisis, I would say it cleaned up considerably. But I would say at this point it's just as bad as it ever was. Keep in mind, a lot of the loans that caused the problems, they call liar loans, no qualification, no qual loans, no income. Well, those loans, they exist again. There are subprime companies that are doing that again. I don't think they call them subprime anymore. So, they got some other name.

**Lex Fridman**

Yeah, rebranded.

**Matthew Cox**

Yeah, they've rebranded a little bit, but it's happening all over again.

**Lex Fridman**

It just seems the whole real estate slash banking system is very prone to this kind of corruption.

**Matthew Cox**

But how can you fix it? A lot of the things they fixed, a lot of the manipulation they fixed. But if you tighten it too much, then the average person can't get a loan. And the thing is, some of these loans, sometimes changing a W-2, should that person have gotten into that house? No, he shouldn't have, he didn't qualify. But he makes all of his payments. So it's like, is it a fraudulent loan? Yeah, but it performs. So, I would say that, I forget what the FBI statistic was. It was like 20% or 30%. Prior to the financial crisis it was like 20 or 30% of bank loans, they were saying, that contained some kind of fraud, even if it was just a lie. If you want to cut 30% out of - that's a ton. That's a ton.

**Lex Fridman**

So, you're on probation and you're almost getting caught, you're almost getting caught, and you're doing these really large-scale scams. How does it get to the point where you're on the run?

**Matthew Cox**

I'm doing multiple scams. So, it's not just that I'm doing the scams with the Reservoir Dog scams. I'm not just doing those guys. I'm also creating other identities because I've got other people that are involved. They want to do a scam. So, this chick I was dating, she wanted to run a scam. So, I set up a scam. It's semi-complicated, but the bottom line is she ends up stealing a real person - we steal a real person's identity. I have a real person's identity. We get a driver's license in her name, open up some bank accounts, go rent a piece of property in her name, and I transfer the deed or the deed from the property out of the real owner's name, I transfer it into her stolen identity. We then refinance the house like three or four times. So, she starts going to these different closings. Her name is Allison, and

she's pretending to be a Puerto Rican woman named Rosie de Perez. Allison has brown hair and blue eyes. Rosie De Perez clearly doesn't. So Allison, when we make the ID, she dyes her hair black, curls it a little bit, and gets the pictures taken of herself before she goes to the first closing to get a check for like a hundred thousand dollars. We've got three of these scheduled. She changes her hair color, she dyes it back like a dirty blonde, and she goes to the first closing and she gets a check, a check for 100,000, let's say. I don't know what it was like 95 or 105, whatever, roughly \$100,000. She gets a check at the closing, they give it to her. We then go to the next closing. Well, at the next closing, the title person has her sign all the documents, but she's looking at her like something's not right. Looks at her ID, makes a copy of the ID, looks at it and says, "This doesn't look like you." And she's like, "You don't look Hispanic." And she's like, "I'm half Hispanic." But keep in mind the photograph was her. So she's saying, "This doesn't look like you," but it's her. Granted she had the curly hair a little bit, but that's it. So Allison is like, "It's me." And she's like, "Look, I'm not going to give you the check. Let's just sign the documents. You can get the check. I'll let you know." She goes, gets in my car. She says, "Yeah, listen, there's a problem." So we're driving down the road, she explains it to me. I realized, "Okay, that's done. It's over. We're not going back." She's like, "What about the other closing?" "No, no. No more closings, we're done." And it was probably more of a yell, screaming and yelling like, "What the hell did you do? I told you not to change your hair. Why would you change your hair?" When she came in the day before, and I was like, "What did you do? What did you do?" And she's like, "I changed my hair. What's the big deal? It's still me." Sure enough. It's not that I knew that that was going to happen, but why tempt fate?

**Lex Fridman**

How'd you meet Allison?

**Matthew Cox**

She was a mortgage broker.

**Lex Fridman**

Okay.

**Matthew Cox**

Sorry, she worked for another mortgage company. She couldn't get a loan closed. The owner of that mortgage company called me and said, "Look, we got a loan, we need it closed." And I said, "Great." And when guys would call me, I'd say, "Great, I'll come pick it up. I'll give you a \$300 or a \$500 referral fee." "No, no, it's a couple hundred thousand dollars. We want to close it." "Well, then close it." "I can't close it. We need a W-2 or we need this. We need that. We can't figure out how to do it." So, I go over there and typically I convince them, just give it to me or it's not going to close. But you'd have to see this chick, she was gorgeous. She was gorgeous, very flirtatious. Made me feel like I was thin and handsome. So, she gets whatever she wants. So, I'm like, "Okay, look, here's what you do." And I

explained to her, "Do this, do this, this. Send it here. It'll close." And we closed it. Well, then she starts calling me, "Hey, how's it going?" We go to lunch. Next thing you know, we start sleeping together. She realizes what's happening. She says, "I want in on this." So, now we do the closings. We're on our way. I say, "Look, that check's dead." She goes, "What about the other one?" I go, "No, no, it's all dead. We're walking away." Now, it was easy for me to say, because for me, I had money. She's going through a divorce, she's broke. None of this did I take into consideration at the time, by the way, to me it's like, "Nah, that's dead. We're done. We'll start over again." To her, in her mind, that was a million-dollar scam. She was about to end up getting whatever it was, half or one-third of half a million dollars in the next week. Now she's got nothing. So, she says, "Look, let's at least cash this one." I had a buddy named Travis Hayes, we actually, we've been friends since high school. We were best friends, really close friends in high school. We were still close. Travis was running a scam. Hers was in Clearwater, his was in Orlando. So, I'm all over the state at this point. So, he's running an Orlando scam that's already yielded half a million, maybe more. We're still refinancing properties, right? So he's about to close on another half a million dollars worth of properties. He's got a bank account that's open. She says, "Let's give it to Travis, have him deposit it in his account." He's already pulled out like 300,000 out of the account. And she's like, "Shouldn't be a problem." I was like, "No, no, no." And she goes, "Let me call him." I think I called him and I explained the situation. He said, "Do you think it's okay?" And I said, "No, I don't think it's okay. I don't think it's okay at all." And he's like, "Nah, it's not a big deal. Just give me the check." So, I give him the check. He goes, he deposits the check. They say they're going to hold it until it clears. That was kind of a thing back then. It takes, I don't know, I don't know how long it took - 5 days - 6 days - whatever it was. He was supposed to go back and it would've cleared and he would've been able to start pulling money out. So, I call him one day, because Allison's bugging me. So I call him and I go, "Hey, where are you at?" He goes, "I'm actually on my way to Orlando." And I said, "Oh, okay, so you let Allison know I'm not getting any money." He said, "The bank manager called and said that because the check was over a hundred thousand dollars, they have to witness me endorsing the back of the check. Or they had to see my something." For me to come in, I'm like, "Whoa." I said, "Something's wrong. Something's wrong. Don't go to the bank." "What do you think is wrong?" I go, "I think the cops are waiting for you. That's what I think is wrong." And he goes, "No, the cops aren't." He goes, "Man, I'm in the parking lot right now. I just pulled into the parking lot. There's no cops." I'm like, "They're not going to be in squad cars." And he's like, "No." He said, "It's fine. You're overreacting, bro." And I'll never forget what he said. He said, "You're shaking like a little girl, bro. Calm down. I got this. I'm cool with the manager." The manager, because you've chopped it up with the manager, he's going to let your fraudulent check go through. So, he walks in, the cops are in there, they locked the door. He told me later, they closed the door, locked it. The cops are in there. They grab him, and they bring him downtown. He didn't say anything. He won't say anything. That's not true, by the way. So, here's what he told me, he wouldn't say anything, "I told them, 'I'm not talking to you, coppers.'"

**Lex Fridman**

Oh, he told you, but he actually did tell him.

**Matthew Cox**

He actually did talk to him. What ends up happening, is we can't get in touch with him. So, we're calling and calling, calling. Then, finally I decide, "You know what? I'm not going to call his cell phone anymore. I'm going to call the synthetic identity's number." So I go and I call the synthetic identity's number. I call and somebody answers, and I go, "Hey, is so-and-so there?" And it's a gruff, authoritarian voice. This is law enforcement. He goes, "No, this is officer so-and-so. Who's this?" I was like, "Oh, this is Lee Black." He goes, "How do you know so-and-so?" I was like, "Oh..." Click. And I just hung up and I called from a pay phone. So, I turned around and I said, "He got arrested." Then later on that night, he showed up on the county website - the arrest website - showing he had been arrested. The next day he calls me and he asked me to get him out of jail. Like, "Hey, you got to go." So, I have to give his brother-in-law money. We get him out of jail. He actually got out -

**Lex Fridman**

For bail?

**Matthew Cox**

Yeah, he got out for nothing. And here's where I should have known that he was cooperating. It went from like \$300,000 bond down to like \$10,000. So it's a thousand bucks. So right then, I didn't know it at the time, but obviously that means we're going to let him out of jail. He's cooperating. So, they let him out of jail. I go and I get him a lawyer, a state - this was state, by the way. It wasn't federal. So, I get him a lawyer for like \$15,000. He comes, of course, he tells me, "Look, they asked me a bunch of questions. I told him that..." He made up some story about he's working with another guy, but he doesn't know the guy's name. He made up a name. He has this whole kind of thing where he tells them about me, but not me. None of the numbers led anywhere. So they all lead to cell phones that are only being used for those scams. So it's a dead alley or a blind alley. I'm like, "Okay, okay." And I'm paying him. He's coming in, "Man, my truck's no good. I need another truck." I buy him another truck. "Hey man, the electric is going to get turned off and I don't have - I need a thousand dollars." "Of course, here's a thousand dollars. I'm embarrassed you had to ask. Here's a thousand." A week later, he needs \$2000 for this - a \$1000 for this - \$2000 for this. He wants to start a tree-trimming company. He needs to buy a tree-trimmer. "How much are those? \$5,000? Of course, \$5,000." So, I give him another \$25,000 - starts like a tree-trimming business - which he runs to this day. What I don't know is that the whole time he's actually working with a task force that's been put together.

**Lex Fridman**

Federal or -

**Matthew Cox**

This is state at this point. It's a state task force because there's multiple counties involved at this point. It wasn't hard for him to explain. This comes back to "Reservoir Dogs". All he had to say to the officers was, "Listen, you got to let me go. I can't do any prison time. I'm going to tell you about a much, much bigger scam." And they go, "Okay, well how can you prove that scam?" "Pull up Hillsborough County's Tax Appraiser website. Okay, look up the name James Red. Look, all of these were bought 6 months ago. Six months later, they're all in foreclosure. Pull up Lee Black. All of these were bought. Look, 6 months later, all of them are foreclosure. Hey, pull up James Red. Pull up Brandon Green. Pull up..." So, all of these are going in foreclosure. What I thought was so cute, not cute. It was just stupid. So very quickly they put together a task force. He's working with them on the task force, and we're still buying houses, flipping houses, doing everything. Because I believe him. He's saying, "Look, if I have to go to jail for a year or so..." And he is also paying - he hasn't paid them back yet, but we're saying he can pay them back. He's like, "Look, if we get to the point, when we get to that point, we'll pay them back." But we haven't paid him back yet, because we have no way to show where that money came from. We can always go to one of his relatives and give his dad 40 grand - give his mom 20 grand - that kind of stuff - and start putting money that way. And all that money was taken out in cash, too. So, we could always show up with a chunk in cash. All that money was taken out in cash too. So, we could always show up with a chunk in cash. Regardless, it's still in the process. And I think that we're still in the process and it could be 6 months or a year away because it's a slow thing. I've already been through the process my first time when I got in trouble, and it was a year from the time that I was spoken to until I pled guilty and was sentenced. I'm not concerned about it. Well, that's happening. We're still flipping properties. And, one day - I have a buddy named Steve Sutton. Remember the sheriff's deputy? Keep in mind - it's funny because I've done bad loans for police officers, sheriffs, lawyers, doctors - across everybody. These aren't all -

**Lex Fridman**

Yeah, everybody.

**Matthew Cox**

- guys that - these aren't all construction workers, or guys that work, or mechanics, or something. These are legitimate people that have credit problems or whatever the case may be. One day, I'm sitting at work and I'd been getting phone calls for the prior week from people at title companies saying, "Hey, Matt. Wanted to let you know we just had some subpoenas served on several of your files." I'm concerned. That had me concerned. Then a guy named Jeff Testerman starts making phone calls. Jeff Testerman is a reporter for the St. Petersburg Times. He's calling people saying, "Hey, I noticed that you sold a piece of property to Lee Black. Have you ever met Mr. Black?" And, they're just hanging up on him or saying, "No, I don't know what you're talking about. I'm not sure what that guy's name was. Let me call you back." And, I'm getting phone calls from people. So, I know something's up with the newspaper. Now I know something's being looked at, but nobody's really talking. I

know that there are subpoenas being served and I'm nervous. I'm very concerned. One day, I'm in my office and the sheriff's deputy walks in, Steve Sutton, in his uniform too, which everybody always stiffened when he would walk in. He walks in. I go, "Steve." I said, "What's going on?" He said - and usually he's jolly and laughs and stuff - he says, "I got to talk to you outside." I was like, "Okay." I walk outside, "What's up?" He says, "I used to date this girl in the Tampa Police Department," or something. I was like, "Okay." He said, "She showed up at my house this morning at 6 o'clock in the morning." I went, "Okay." He said, "She said that she's been working on a task force." And, he said, "Apparently, one of your buddies got arrested in Orlando. They're investigating some other thing in Clearwater. They're investigating a ton of properties here in Ybor, Tampa Heights. And, there's like a hundred properties involved. And, my name came up because you've sold some properties to me," which I had. He's like, "So, she came to me and said, 'Look - your buddy, Cox...'" I was like, "Okay." He goes - he said, "Well, the task force is on you. And, she said to stop talking to you because they're going to come arrest you in a couple of days. They just handed over the task force findings to the FBI and the FBI is going to come arrest you in a couple of days. She said not to talk to you because you're going to cooperate because all white collar guys cooperate. So, she thinks you're going to cooperate and not to talk to you because she's afraid you're going to get me hemmed up. And, she said just to walk away." He was like, "So, I thought you should know." I was like, "Okay." He said, "What are you going to do?" I said, "Oh, you know..." Well, first, he said, "What should I do?" I go, "Tell them. Tell them that I arranged all the loans for you." You came in. You signed the paperwork. I filled out all the documents. You signed the paperwork. I arranged everything." I'm like, "You're not a mortgage broker. You don't know if this is legit. You have perfect credit. You signed the paperwork. You walked away with a check for \$30,000. You don't know." He was like - because he did it - because he had a job - he was a sheriff's deputy. I went in. I applied for a loan at a bank. They said, "You can buy the house and we'll give you \$30,000." So, of course I'm going to do that. That's not going to happen. But, he doesn't know. I said, "Just tell them yeah. Tell them you'll cooperate, absolutely." He goes, "What are you going to do?" I said, "Me?" I said, "I'm leaving, bro. I'm leaving." I said, "I can't stay here. I can't go to prison. I was just sentenced. I'm on federal probation right now. The judge isn't going to be cool with me getting popped again. I can't do it. Can't do it." I said, "I'm leaving. Can't go to prison. I'm adorable, bro. I saw Shawshank Redemption. I know what's going to happen. I can't."

### **Lex Fridman**

You're too good looking.

### **Matthew Cox**

Yeah, I can't do that. That's not going to happen. I am not going to defend myself against a guy who's six foot three and tatted up. No. I'm no benefit to a gang. I'm a nonviolent, soft, white collar criminal. I was like, "Yeah, I'm leaving, bro. I'm leaving." Well, I actually went home - well, actually - I was able to - I started cutting checks to people. I cut checks to Allison - to Johnny - to everybody I could think of. Here's \$5,000. Here's \$7,000. Here's



\$8,000. Here's six. Here's nine. And, had them going into all these different bank accounts, pulling out cash. But, this is like a Thursday at 4 o'clock. The next day they show up with cash, write some more checks. They go again. I get about \$80 grand in cash. That's all I can get. I go home that night. I start packing my bags. And, I was dating this chick named Rebecca Houck. We'd been dating about a month. And, she shows up at my house. I hadn't returned her phone calls all day and apparently we're supposed to go out and I'd forgotten about it. I had bigger issues. So, I'm packing a couple of duffle bags and she walks in and she's like, "What's going on?" I'm like, "I'm leaving." Where are you going? I thought we were supposed to go out at such and go do something tonight. I'm like, "I'm leaving. It's over." She says, "What happened?" I tell her what happened. This is what happened. She's like, "Oh my God." She had no idea.

### **Lex Fridman**

She had no idea about anything you were doing?

### **Matthew Cox**

No, I barely knew her. I mean, she's coming over two, three times a week for a month. This isn't love. This is a booty call. That's all it is. We're hanging out. We're having sex and that's it. I don't even know you. She suddenly just begs to come with me. You got to bring me with you. You have to this, you have to that. I'm like, "What are you talking about? You've got a son. You have your mom lives here." She's just in tears and crying. She suddenly said, and this is what's so funny about it, is that she had just moved from Vegas to St. Petersburg to work at the dog track, to work for a company that owned the dog track. A casino interest or a gambling company. She said, "You don't even know why I'm here." I was like, "Okay, why are you here?" She said, "I'm here because I was working for a law firm that worked for the casino company that I worked for." She said, "I got caught embezzling..." Nothing. It was like 10 or \$15,000 from my boss. She had a gambling habit. And, she said, "He didn't call the police because we were sleeping together and he was afraid his wife would find out." She said, "So, instead, he banished me here to St. Pete. My son just came to live with me. He's been caught sneaking out." Because, the father had raised him. He'd only been living with her since she got to Florida. She's like, "I was going to send him back. He's failing school. He's smoking pot. He's been caught sneaking out after curfew." I'm like, "Oh, okay. I don't know any of this." She's like, "He was going back in December?" No, he was going back after the school year, which would've been like May. Okay. I'm like - where before - 5 minutes earlier - I thought she was this sweet secretary - sweet innocent secretary. She's like, "I've been married 3 times. I am a gambler. I've claimed bankruptcy. I'm sleeping with my boss." She went from this thieving - adulterous - and I thought, "These are all really beneficial to my future plans." And I shouldn't have. At that moment, I was so just flipped out and concerned. And up and leaving your life and everything you know behind, that's terrifying. Now, you're alone in a strange place - in a place -

**Lex Fridman**

Is that the first time you've done something like that, leave to go on the road?

**Matthew Cox**

Yes. I'd never just up and moved. And keep in mind, now I can't call home. I'm leaving. There are things that I feel like get you caught. I've watched tons of these TV shows and there are certain things that get you caught. One of them is keeping in contact with anybody in your old life. I'm thinking that's not going to happen. I'm not contacting anybody. I'm leaving and that's it. That didn't really happen. I kept in touch. I called my mom every once in a while. But, I was like, "Okay, that's cool."

**Lex Fridman**

Did the loneliness of that hit you early on or no? Like as you were packing -

**Matthew Cox**

I never did. Well -

**Lex Fridman**

You're leaving your life. I mean - it feels like a fundamental transition.

**Matthew Cox**

Oh, listen. You think? Listen, not just that I'm leaving my son. I have a son. I was leaving everything. I was just terrified of going to prison. It was just so stupid. It was just arrogance. I should have stayed. I made things so much worse. But, I also thought I'm smart, I can figure this out. I can change my identity. Blend in. I'll be fine.

**Lex Fridman**

Aren't you already - people know what your face looks like.

**Matthew Cox**

They do. They do. But, one of the first things I did was I got plastic surgery.

**Lex Fridman**

What kind of plastic surgery?

**Matthew Cox**

I got a nose job. I got what they call a mini facelift. They go in through your back of your ears and they suck out all the fat in your neck.

**Lex Fridman**

Does that change appearance much?

**Matthew Cox**

A little bit. I was balding. I got two hair transplants, two hair grafts. The hair in my head, this isn't my hair. It's my hair, but it's from back here. They cut it here -

**Lex Fridman**

It looks great.

**Matthew Cox**

Appreciate it. They reimplanted it there. Got liposuction, just some other stuff. And, got my teeth done, that sort of thing. That was my plan. I'll go, I'll take off. I got 80 grand. I'll steal some more money. But, I let her come with me. We ran up all my credit cards over the next few days, packed up the car, traded in my Audi and got an Audi - I don't know. It was it like an A6 or a 4-door - like the big 4-door - whatever it was. Got that and drove straight to Atlanta. I wrote a letter to my parents before I left, just explaining this is what's happening. I'm leaving. I'm done. I'm not going to prison. Love you. Sorry.

**Lex Fridman**

Sorry.

**Matthew Cox**

Sorry. Sorry, I know I'm a disappointment. Sorry. Bam - I take off - go to Atlanta. When we went to Atlanta, I already had the name of a guy named Scott Kugno that I'd done a loan for. I had his vital information. I have his name, date of birth, Social Security number, mother's maiden name, and where he was born. One day we were having a conversation and I just slowly pried all that out of him. We'd done a loan for him. So, I already had his name, date of birth, Social Security number. But, to steal his identity, I need to know where he was born and his mother's maiden name. Through the course of the conversation, I just pried, "Hey Kugno, is that - what is that? Is that like Irish? Is it..." "No, it's such and such." "What's your mom's name?" "Oh, such and such." "Oh, okay." "Were you born here? Were you born in - weren't you from?" "Nah, man. I was born here. I was born in such..." "Oh, Hillsborough County." It was no big deal. We get to Atlanta. I make a fake ID for both of us. But keep in mind, I don't have a driver's license. I do. But, they're fake. I can't give this to a cop. Can't give a driver's license that says David Freeman.

**Lex Fridman**

What's David's residence? Florida or is it Georgia?

**Matthew Cox**

No, this is Florida. But, it was just a made up name. I'd gone to high school with a kid named David Freeman. So, I had an ID, but I can't give that to a cop. That's enough to rent a place or do something. So, we go to Atlanta - make an ID - set it up - make some business cards - set up a couple of websites - set up - get an HQ which is - it's a company that will - you can do

virtual - you can rent virtual - you can rent offices and they'll answer your phone for a hundred bucks a month and they'll forward them. So, it seems like you have an office. They give you a phone number that you call up and they say, "Hi, United Southern Bank." They'll answer the phone and forward messages. We get one of those, make a business card for Becky. She rents a house from a guy named Michael Shanahan. We rent Michael Shanahan's house. It's like \$200,000. \$200,000 house in Alpharetta. I then go to - wait, I then order Scott Kugnos birth certificate, Social Security card. I think I registered to vote in his name and I made a lease agreement in his name. And, I think that's all I needed. Then I went to Alabama and got a driver's license in his name. I went into the DMV, give him all these documents, which almost all of them are real except for the lease. They said, "Sit over there." I sit over there. I sit down. Boom. 20 minutes later I have a driver's license. It was 20 something dollars. It was nothing. I get the driver's license. Now, I'm driving this. I'm still driving a car, an Audi that is in the name of Matt Cox. I park that. I then go get Social Security to issue me a Social Security number in the name's Scott Kugno. I then turn around and I go and I get a loan. You put down 20-30%. There's all these first time buyers. 30% down. Get like a Honda or something. Now, we're living in a house, we've got some furniture, bedroom furniture. I go downtown. I pull the title to this guy, Michael Shanahan's house, and I go downtown and I satisfy the loan on his house. He had two loans with Bank of America. I create two satisfaction of loans from Bank of America. Michael Shanahan owns a house in the name Michael Shanahan. He has one mortgage with Bank of America and a second one. When you pay your mortgage off, the way public records knows it's paid off is they mail public records a satisfaction of mortgage. It's a one-page document, and it's notarized.

### **Lex Fridman**

You've got two of those.

### **Matthew Cox**

I filled out two. I created two of them. I just ordered - you can do research. When I went downtown, I researched Bank of America satisfaction of mortgages. And, thousands show up. I just grab a couple of them and now I know what the basic template is. They're all different by the way. It's not like you even have to be that close. But, whatever. I mimicked some of them. I had a notary stamp. Not hard to get. You go into three different office depots and you say, "Hey, I need a notary stamp." You give them the information and you come back 4 days - or whatever - a week later - and they give it to you. So, I've got these notary stamps. I notarize the satisfactions. I go downtown, I file them. Boom, the mortgages are gone. Keep in mind, Bank of America, he's still paying the mortgages. They don't know that they've been satisfied in public records. They're not notified. Those are gone. But, it takes about a month or two for it to show up. Atlanta was that far behind. I think it was Fulton County. They were just way behind. So, we just have to dick around for a while. We're going on little vacations. We're going to New Orleans. We're going to different places as Scott Kugno, driving a car as Scott Kugno. We opened up several bank accounts. We opened multiple bank accounts. And then, we ended up going to Vegas. We do go to

Vegas. But, what happened was we were driving around and I remember thinking, telling her, I was like, "This is a problem. We have to get real IDs, real driver's licenses. I mean, this is real. But, this is a real person too. He may stumble across it." What I did was I started running ads in magazines saying home loans available. Good credit, bad credit, no problem. Call now. Government loans, government - VA, FHA, whatever. Call this number. People start calling and I'm getting their information. One of the guys I got was Michael Eckert. Yeah, I remember. Michael Eckert. Poor Michael Eckert. I actually legally changed his name to Michael Johnson at one point. But, at this point, it was just Michael Eckert. I wanted to see - I'm bored, I want to see what the process is. How much does it cost? Is this possible? Let me see if I can change this guy's name. It was 1,500 bucks. I changed it.

**Lex Fridman**

Without him ever showing up anywhere. So, you can fake -

**Matthew Cox**

Well, I have a driver's license in his name.

**Lex Fridman**

Right.

**Matthew Cox**

I am him. So, he did show up. He showed up at the lawyer's office.

**Lex Fridman**

Right.

**Matthew Cox**

So, I do that. I'm living in the house and we're driving along one day and I'm saying, "We got to get real. These people that are calling..." One guy, I get his information. But, during the course of taking the application and I'm asking these government survey questions at the very end, there's like 20 questions and I'm rambling them off. At some point, he was like, "He volunteered." I never even asked anybody about criminal history. He ended up saying something, "Well, I do have a felony. Does that matter? It was a DUI. I've had a couple DUIs. But, I got my license back." That was part of the reason he had bad credit. It was like, "Okay, no. Nope, it doesn't matter. Don't worry." I'm thinking you're not getting a loan. So, I'm just taking - I'm just stealing from you, stealing your information. I get all this information. I'm gathering it. One of the things I said to Becky while we are sitting at this stoplight is I'm like, "We got to get people's real information. For instance, I said, 'What if I steal somebody's identity? I get a driver's license in his name four states from where he lives, and he gets a DUI? I could get pulled over 2 years later and get arrested for a DUI that he got in Florida.'" She's like, "Well, what are you thinking? Are you thinking criminals or you thinking prisoners, mental patients?" I looked over and there was a homeless guy holding a sign. I went, "Like

that guy." I'll never forget, she goes, she says, "The hobo?" I don't know who calls them hobos. She's like, "The hobo?" I said, "Yes. That guy." I said, "Hold on." Pulled over to a Subway. Got out. She went inside to get Subway. I walk across the street, pulled out like 20 bucks. I said, "Hey bro, can I ask you some quick questions real quick?" He's like, "Yeah, what's up?" I go, "Here's 20 bucks." I said, "Listen." I said, "When was the last time you were gainfully employed?" He's like, "Ah," whatever, "10 years." I'm like, "Oh, okay. Do you have a criminal record?" He's like, "Ah, I've been arrested with misdemeanors, like vagrancy." He names off some things, drunk in public, whatever. I was like, "Are you on probation?" He goes, "I can't do probation." They don't give us probation. They keep us for 90 days. They release us. The judge knows I can't do - I'm not going to show up for a probation. I'm like, "Okay, do you have a driver's license?" He's like, "Maybe. I don't think so." I go, "Did you get a DUI?" He's like, "No, I think it's just expired." Did you have a driver's license with you? He's like, "No, I got nothing." I'm like, "Okay. Well..." He told me he lived in a tent in the woods. So, I gave him another 20 bucks - asked him a few more questions. I remember in the middle of it, he said - he goes, "What, are you're taking a survey or something?" I remember thinking - not thinking - I chuckled. I go, "You get a lot of surveyors out here like that." He goes, "Yes. Sometimes." I was like, "Really?" He goes, "Yeah." He said, "People from halfway houses and..." What did he say? "Social workers and stuff. They'll come out and they'll pass out stuff and they'll ask us questions and stuff." I'm like, "Oh, okay." I thought, "That's good to know." I go back. I get grab Becky and she's like, "Oh, did you give him money?" I said, "I give him like 40, or 60 bucks, or something. Forget what." She was like, "What a waste of money." I thought that was good. That was money well spent. I said, "That guy's perfect." I said, "That guy... He's got everything. He has no way to be contacted. He has no documentation on him." I said, "He's not going to drive a car. He's not going to get a DUI. He has an expired license. I just have to get his license reinstated and I can be him." I went home. I typed up what I called a "federal statistical survey form" and I made a little thing. I mean - I went online. I mean - I'm always filling out federal documents as a mortgage broker. It looked identical. I mean - I had this little - the recycle symbol - and it was like Federal Form 17017. I print out these forms. I go buy a clipboard. I make a little Salvation Army ID. I pin it on me. I go out and I start -

### **Lex Fridman**

Doing surveys.

### **Matthew Cox**

I start surveying homeless people. Don't judge me, bro. I was in a bad spot. I was in a bad spot. I see the judgment. I see the judgment. Let's maintain civility here. Stay neutral. Stay neutral.

### **Lex Fridman**

These homeless guys, I mean, they have a Social Security number. They have a birth certificate, I guess. I mean, they're a real person. They're a real person.

**Matthew Cox**

Right. They're just not using their real person.

**Lex Fridman**

Yeah. They're not actively engaging with the economic system, the financial system. They're not employed. They don't have housing, all that.

**Matthew Cox**

Yeah, they don't file taxes. One of the questions I even asked the guy, one of the last questions, I said, "Do you believe that you will be gainfully employed within the next 2 years?" Every one of them said no, no, no. It was like, okay, they're not even trying. They all had alcohol problems. Or, honestly, the few of them I talked to, it was pretty clear. I mean, it takes literally five minutes, less than five minutes to fill out the form. I filled it out for them, of course. But, even filling it out and that brief just asking questions back and forth, half of them, you could tell you've got some mental illness. Something's not right with you. These aren't guys that are going to go out and are going to get jobs. They're not cleaning up. They were perfect for my purposes, as horrible as I know that sounds.

**Lex Fridman**

Do you feel bad about this little small tangent?

**Matthew Cox**

No. Do I feel bad about it?

**Lex Fridman**

The homeless people in society are really - it's a difficult life - dealing with mental illness - dealing with drug addiction - all that stuff.

**Matthew Cox**

I mean - listen - being in prison and then the people that are in prison that are going to be homeless, or have been homeless, or the mental illness that I've dealt with in halfway houses and even doing this, I don't know what you do with these people. I don't even know that you house them. You - can't necessarily even house them together. They cause such problems. I don't know what the solution is other than just keeping them fed maybe and keep them away from normal people so they don't cause crime or whatever. I don't know about housing them in one area. That seems like a mistake. There is absolutely no good solution to that problem. None. Because, it's not like, "Hey, if we gave you a house and we gave you job training and we gave you this," okay, you might get 5% 10. But, most of them are on the street because they've just messed up over and over and over again. They just gave up.

**Lex Fridman**

But, I guess we still have to remember that they're human beings. We mentioned off-mic "Soft White Underbelly" and he highlights the humanity of people who've had a real difficult life. He does it well.

**Matthew Cox**

Mark Laita, he is amazing. He's amazing. One of the things he had said was, he was like, "These are real people." He's like, "They have stories and they need..." But, if you also talk to Mark, he'll tell you, "You can't give them money. You can't..." He's tried. Every time he's reached out and tried to help these guys, put them in apartments, fed them, got them back on their feet, within 6 months, they're back on the street. It just happens over and over and over again. I mean, I think the amount of money that would have to be dumped into correcting that problem, I don't know. I mean, you can say, "Well, yeah. But, just you should do it because it's the right thing to do." I don't know who's paying for it.

**Lex Fridman**

It's complicated. But, for your purpose, they have a Social Security number.

**Matthew Cox**

They got 20 bucks. They seem very happy.

**Lex Fridman**

There you are with a clipboard, taking a survey.

**Matthew Cox**

Right. Took a survey, went home, ordered their - and, of course, they give me everything: name, date of birth, Social Security number, mother's maiden name, where they were born. Have they ever been in the armed services? Have they ever had a passport issued? What states have they had identification in? Have they ever been arrested? They ever been on probation? Have they ever claimed Social Security? Disability? SSI? I mean - I had like 17 questions and it absolutely answered everything. What high school did you go to? Because high school transcripts are great for documentation. A lot of times they'll ask you for high school. Can you get us a copy of your high school transcripts? That's good to know. And I'm a big believer in overkill. I mean - I ordered a ton of stuff. If I needed 3 things to get a driver's license in your name, right? I'd come in with 6. Because what you do is you get in front of the guy at the DMV and you fumble through like, "Oh, I got this. What else do you need?" I know exactly what you need. But, they'll be like, "Oh, was that high school transcript? Yeah, I'll take that. Oh, voter's registration card. Give me that. Yeah, you're perfect. You're good. Sit down. Right over there." That's it.



**Lex Fridman**

Who's, by the way, lurking in the shadows trying to catch you? You've mentioned FBI, Secret Service, you mentioned - I think I've heard you mentioned US Marshals, which is interesting. Cops, in general, the police, CIA, I guess CIA is international only.

**Matthew Cox**

Yeah.

**Lex Fridman**

FBI is internal.

**Matthew Cox**

Yes.

**Lex Fridman**

Okay. When you're doing this, who are you afraid of?

**Matthew Cox**

By the time I've gotten to Atlanta - within 4 or 5 days - the FBI raided my office. I guess I missed that.

**Lex Fridman**

Back in Florida.

**Matthew Cox**

Back in Florida. When I left and drove to Atlanta and left, remember the FBI was going to show up a few days later. They were going to arrest me.

**Lex Fridman**

And, they did.

**Matthew Cox**

They did. They showed up - I left on a Sunday night or something. Because, for some reason in my stupid thought, I thought, "Well, they won't arrest me on the weekend." Like they don't work on the weekends. They came on a - whatever it was - like a Tuesday, or Wednesday, or Thursday. Within a few days, they'd come in the office, they raid it, they're looking for me. But, I'm gone. Nobody knows where I am. Now, I'm surveying the homeless guys and I turn around and I'm ordering their documents. And, as their documents are showing up, I'm going to different states and getting IDs. I'm going to Florida. Over the course of this whole thing, I've had 27 driver's licenses in seven different states. I've had two dozen passports. Because, if you're going to get the driver's license in the guy's name, you might as well get - or an ID even, you might as well get a passport. Because, a passport's not difficult to get.

They don't fingerprint you. All they're doing is saying, "This is your ID and were you born here?" Then they run a check. It comes back or it doesn't. Back then, you could do it expedited and I'd have it in two weeks. Now, it takes like 90 days - or 60-90 days - to get one.

**Lex Fridman**

If you have multiple ideas for a single identity, that's more proof.

**Matthew Cox**

Right.

**Lex Fridman**

Wait, what number did you say? How many IDs? How many identities?

**Matthew Cox**

I had - well, I've had over 50 identities. But, I've had 27 driver's licenses issued from state DMVs, Department of Motor Vehicles.

**Lex Fridman**

Legitimately?

**Matthew Cox**

Legitimately. I walked into the DMV, said, "Hi, my name's Michael Eckert." And, I just moved here about three weeks ago, four weeks ago. Here's my lease. I lost my driver's license, bro. I don't know what I did with it. I don't know. I don't know what happened. I don't know. They're like, "It's alright. What do you have? I need a proof of residency." Well, I have my lease. Oh, okay. I need a primary. Okay, here's my birth certificate. Okay. And, I need a secondary. Here's my Social Security card. But, I also registered to vote. My girlfriend made me vote immediately, and she said I would need that. Oh yeah, it's perfect. You're good. I don't even need that. Okay, great. Stand over there. Pay that person. They call your number, 275. Forty five minutes later, you go, you pay your 25 bucks. You stand in front of the screen. They take a picture. You got a driver's license. You walk out, it's still warm. It's beautiful. It smells like popped plastic. It's amazing. So, I am opening up different bank accounts in these guys' names and just about -

**Lex Fridman**

Yeah, sorry. Well, what are you mostly doing with the identities? You opening up different bank accounts?

**Matthew Cox**

Right now?

**Lex Fridman**

Are you doing credit – starting to establish credit or no?

**Matthew Cox**

Some of them. I might order secured credit cards. So, I'm building their credit. It's not helping me in any way. I'm just sending out \$500 to get a Capital One card or a American – I'm sorry – a Bank of America secured credit card – whatever. So, I'm building their credit. But, not all of them. Only a few. Because, although I'm collecting them, I'm also going to be moving soon. I'm only here to get a few hundred thousand dollars and move. I need some kind of a base. So, I don't want to start getting credit cards and building up a history in Atlanta in anybody's name. But, I am getting driver's licenses in other states – like North Carolina – South Carolina.

**Lex Fridman**

What's the primary method of income here when you move to a place? South Carolina – how do you make a hundred thousand at this time?

**Matthew Cox**

Oh, well. Right now, I'm living in this guy's house and I satisfied his loans. The house is worth \$200,000.

**Lex Fridman**

Got it.

**Matthew Cox**

What happens? His loans – the house was worth \$200,000.

**Lex Fridman**

Got it.

**Matthew Cox**

So, what happens is one day we go and we check public records. Remember I told you it takes months for it to show up?

**Lex Fridman**

Mmhmm.

**Matthew Cox**

And it shows up. He's got no mortgages on the house. So now I turn around, and I make a fake ID in the name Michael Shanahan, and I'm living in his house, but I have no credit. There's no credit. So the ID, I've got a Social Security number, and I order some secure credit cards in his name. So if you pull that credit profile, it shows up saying he's got some

credit cards, but they're only a month or two old. So, I can't go to Bank of America. I mean, I could, but I needed to get the money as quick as possible. I want to get out of Atlanta. And at this point, by the way, there's multiple articles showing up in Tampa. So, the St. Petersburg Times is writing multiple articles about me.

**Lex Fridman**

With your face.

**Matthew Cox**

With my picture. Yeah. But honestly, it's post-internet, but it's in its infancy. Like nobody's - it's not huge. And honestly, it's a local newspaper in Tampa. It's not that big of a deal. I'm not concerned about that so much at this point. What I'm concerned about is getting a chunk of money and just moving on and kind of reestablishing ourselves in a better way where we're not living in a building that we're going to be committing fraud in with our house. But I'm living in this place. I make a fake ID in the name Michael Shanahan, and I call up three hard money-lenders. A hard money-lender is a guy that lends his own money or other investors' money on property, kind of like a bank, but he's lending his own money so he doesn't have to really meet the banking requirements, and he can charge a much higher interest rate. These guys are charging 12, 13% interest, simple interest, and they're only lending you a much lower percentage of the value of your home. So they're not lending you 90% of the value. They're lending you 65%, 60%. So I call three of these guys. They all come out to the house at different times, and each one of them says, "I'll lend you 100,000," or it's like 150,000. They all lend roughly 150,000. So we schedule three separate closings. None of them know about the other person. So what I do is I close one loan on let's say Monday, and then one on Tuesday, and then one on whatever, Wednesday or Thursday, or they may have all been the same day, to be honest, but I don't remember. The point is I go to three separate title companies or real estate attorneys, and we close, and I get checks, after cost and everything the total ends up being roughly 400,000. So I've got 400,000. Becky and I run another scam in Tallahassee, Florida, and we get like 50 grand, plus the '80s dwindled down to close to nothing. Because we had gone on several vacations. We went to Bermuda, and I think we went to Jamaica. We actually stayed at the Ritz in Jamaica. So it was very nice.

**Lex Fridman**

You and Becky. So Becky turned out to be pretty good in terms of scams on the road?

**Matthew Cox**

No, she was useless. She was horrible, and she just spent money all the time. And what I realized too, very quickly, is she's bipolar. So she's bipolar, and she's absolutely insane. She smokes pot all the time.

**Lex Fridman**

Did that matter for you personally or did it actually affect how good you were able to do these particular scams?

**Matthew Cox**

It was that she was the type of person that would start an argument at 1:00 in the morning and scream at the top of her lungs and get the cops called. So I can't have the police called. I can't get taken downtown and fingerprinted. I can't have the police showing up. I don't know who's looking. We haven't had plastic surgery at this point. We're still pulling money together.

**Lex Fridman**

Oh, Becky.

**Matthew Cox**

Yeah, Becky's a problem. And at some point, actually, we send her to a psychiatrist, and they put her on Zoloft. And she takes it for a month or two, and then she stops taking it. She thought she was all better. Like you're not all better.

**Lex Fridman**

So can you give me a timeline here? How long are you able to be on the road here successfully?

**Matthew Cox**

3 years.

**Lex Fridman**

3 years.

**Matthew Cox**

This is me. This is the first few months.

**Lex Fridman**

3 years. 3 years.

**Matthew Cox**

Yeah. What happens is we get that little chunk of money, we deposit it into these bank accounts, and we start pulling out cash, which works out fine because we've got a bunch of accounts and we're pulling out little amounts, 7,000, 5,000, 8,000. And I would cash checks against her accounts, and they would call her to verify, "Oh, is there's someone here trying to cash a check for \$9,000? Can you verify the payee?" And they go, "Oh yeah, that's Scott Cogno." "Oh, okay, thank you." And they cash the check. These are new accounts, so it looks

odd, but we were always - I open the account. So what ends up happening is we're cashing them, and I remember getting really frustrated because it was just taking forever. And I had gone into a bank one time. And they have banks where they actually cash large checks. Like if you go into Bank of America and you try and cash a check for \$15,000 or 25,000, they probably won't do it. They'll tell you, "We don't have that much cash on hand. We don't this, we don't that." They have certain banks that do that. So they told me where one of those was. I went there, I had a check for like 29,000 that had been cut on a closing for Michael Shanahan. Remember I refinanced Michael Shanahan's? I've got a check for 29,000 that was issued to Scott Cogno. So I'm sitting in the bank, I go in there and I say, "I need to cash this." And she says, "You're going to have to talk to the manager." I go, okay. She says, "Go sit down over there." I go sit down in the little glass cubicle. He comes over and he says, "I see you're trying to cash this check." And I was like, right. He goes, "Why don't you just deposit in your own bank?" And I went, "My bank is a credit union or something and it's in Florida. They'll hold this thing for two weeks. I need the money now. I have people I need to pay." He was like, "Well, I'm not sure." And I was like, "Well, it's fine. It's a cashier check. It's good." And he goes, "No, it's good. It's good." I said, "You have the money?" And he's like, "Yeah, we have the money." He said, "It's just odd. Hold on," he goes back in the back, and he comes back and he says, "Where'd you get the check?" Cashier's check. I said, "It was a cashier's check. It was drawn off of a closing for somebody's property that we're doing. The company I work for, we're putting on an addition on," okay, that makes sense. Comes back, goes, "Well, why do you need cash?" And I was like, "I'm cashing guys' checks that work for the company. There's a lot of these guys that are Mexican guys. They give them a check. They go to a check-cashing company or they get charged 5-10%. So, I cash them. I'm like, "I don't understand. What? The check's good, right?" And he's like, "Yeah, we're just trying to verify some stuff." And he went, "Yeah, hold on." And he leaves again. And I remember my cell phone rang, and I pick up the phone, it's Becky. She goes, "What are you doing? What's taking so long?" I go, "Ah, the guy's being a jerk. He doesn't want to give me the money." Well, she's like, "Oh my God, get out of the bank. Get out of the bank." And I went, "I can't get out of the bank. The guy's got my ID, he's got my credit card, my ID, and the check for 29,000. He's going to call the police if I just jump up and run." And I go, "Don't call me again. I'll let you know. It'll be fine." I hang up the phone. She calls back, same conversation, "I'm bouncing all the walls. I'm like, I'm going crazy." I'm like, "It'll be fine." Hang up the phone. He comes back out and I said, "Hey, so what's taking so long?" And he goes, "We're trying to get in touch with Michael Shanahan to verify the check." That's not good for me. I'm thinking, right, right. Okay. Okay. And he walks away, the phone rings, it's Becky, "What's going on?" I go, "They're trying to get ahold of Michael Shanahan." She goes, "Oh my God! Oh my God!" And I'm like, oh my God. And I remember thinking I shouldn't have left her the keys. There's a good chance I run out of this place and she's not there.

### **Lex Fridman**

But by the way, when you're sitting there, you're who? Scott? You're Scott?

**Matthew Cox**

I'm Scott Cogno.

**Lex Fridman**

And then -

**Matthew Cox**

The other guy's -

**Lex Fridman**

He's calling Michael Shanahan, okay.

**Matthew Cox**

Right. They're saying they're trying to get in touch with Michael Shanahan. So then the phone rings, my cell rings again, and I look, and it's not Becky. So I pick up the phone, I go, hello? And she says, "Hi, this is Kim from Sun Trust Bank. Is this Michael Shanahan?" So I'm like, "Yes, it is Michael Shanahan." And she says, "There's a guy here, he's trying to cash a check. It's very large. Could you verify the payee?" And I go, "Sure. It's Scott Cogno." I said I believe the amount's \$29,000. And she goes, "That's right. Thank you very much. I appreciate it." I said, okay. I said, "Hey, by the way, how'd you get my number? This is my cell number." And she's like, "Oh, I'm sorry. We called the title company, and the title company gave us your phone number." Well, I closed those loans. That's my cell. That's why if they looked in any other way, they could have gotten in touch with the real Michael Shanahan. So I was like, oh, okay. Hang up the phone.

**Lex Fridman**

You answered the phone from the bank while sitting in the bank -

**Matthew Cox**

As Scott Cogno.

**Lex Fridman**

As Scott pretending to be Mike.

**Matthew Cox**

Right. So I just verified the check myself.

**Lex Fridman**

As Matthew pretending to be Scott pretending to be Michael.

**Matthew Cox**

Right. So I wait there, terrified still. They come out about two minutes later, the manager comes out, plus a woman, I'm assuming maybe that was Kim. She never said anything. And she walks out, and he counts out the money twice. 29,000. 29,000. And I stand up, and I mean, I remember shoving the money in my pockets. Like I'm trying to get out of there so quick. I'm like, hey. I'm like, okay, cool. I'm thinking this whole thing feels bad. And I'm getting up, and so I'm starting to walk out of the bank and he said, "Excuse me, Mr. Cogno?" And I said, yes, sir. I turned around. And he goes, "I'd like you to know that I feel very apprehensive about this transaction." And I go, "Really? What is it exactly?" He goes, "I can't put my finger on it." And I go, "It'll come to you." And I turn around and I just bolt right out of there. And keep in mind, a week or so later, the Secret Service shows up. Did you cash a check for \$29,000? So what's so funny is that was one of the last checks we cashed. So we ended up with like 400,000.

**Lex Fridman**

Was there a connection between the Secret Service and this guy?

**Matthew Cox**

No, the -

**Lex Fridman**

The apprehension.

**Matthew Cox**

So the FBI is looking for me kind of in Tampa, and they've put out a fugitive warrant for me, which is how the US Marshals got involved.

**Lex Fridman**

So the US Marshals track down fugitives.

**Matthew Cox**

Yes, federal fugitives, they track down.

**Lex Fridman**

But everybody's after you. You're on every list.

**Matthew Cox**

Right. I'm on the FBI's most wanted list. At that point, the Secret Service got involved once I leave Atlanta. So when Becky and I pack up our bags and we leave Atlanta, the Secret Service got involved because of identity theft, banking, identity theft. The Secret Service doesn't just do counterfeiting and protect the president. They also protect the financial



infrastructure of the United States and they especially have jurisdiction when identity theft is involved.

**Lex Fridman**

So, identity theft plus bank fraud - there - that's when they -

**Matthew Cox**

They move. Yeah, that's it. That's their territory.

**Lex Fridman**

And the US Marshals are just fugitives.

**Matthew Cox**

US Marshals - just fugitives. They don't do any investigations.

**Lex Fridman**

Okay, but they're all kind of working together?

**Matthew Cox**

Yeah, they - yeah, the - the - you know - the US Marshals are - let's say - an arm of all of the various law enforcement agencies. Federal agencies, not the states. The states have their own fugitive task forces or fugitive -

**Lex Fridman**

So when you leave Atlanta, basically everybody's after you.

**Matthew Cox**

Everybody's after me.

**Lex Fridman**

Did you know this at that time? Or did you ever sense it?

**Matthew Cox**

No. I mean now - you know - every day - you're just up - you're looking your name up every day. I'm not. Because I'm just trying to get a bunch of money and just blend in, right? Things were not as interconnected at that time as they are now.

**Lex Fridman**

Yeah.

**Matthew Cox**

But they're starting to get interconnected. But of course, I have no idea how much. I barely go on the internet for anything. Dating - that's the only thing on the internet. I had never been on Facebook. At this point, Facebook isn't even out yet. This is 2006.

**Lex Fridman**

Still, were you trying to stay low?

**Matthew Cox**

Yeah, I am. I'm not a flashy person. I'm not driving - like I didn't go out and buy a red Lamborghini. I'm driving \$40-50,000 cars. I've had some sports cars - \$70-80 maybe. That's \$150,000 sports car now, but it's still not flashy. It's not like it's bright red or yellow. I mean - it's always something nondescript. And I'm living in areas that these cars are everywhere. So I end up going to Charlotte, North Carolina. We rent an apartment. We decide to run a scam in South Carolina. So, I go to Columbia, South Carolina and in between this period of time, we go to Las Vegas. We go to Las Vegas to drop off a bunch of money to Becky's son's father - who's taking care of her son. We drop off some money there. We go and we start - and while we're there, it's like, "Hey, there's homeless people here."

**Lex Fridman**

So, you're always -

**Matthew Cox**

You know - usually I don't feel bad telling these stories. You make me feel bad.

**Lex Fridman**

I'm sorry. I'm sorry, my judgment is showing. No, but you have to be collecting identities, I guess - to be constantly creating new identities.

**Matthew Cox**

So I got my survey forms. So I go, and we go out and I'm taking surveys, and I end up going up to this guy. There's like two or three guys that are standing on a bench or sitting next to a bench or something. And I see him and I walk up. And one guy gets up and he comes over and he is like, "Hey, what do you need?" And I went, "I'm taking surveys for the Salvation Army to determine where we place our next homeless facility." And the guy goes, "Oh, I'm not interested." And they always said that. And I said, "It pays 20 bucks cash right now. It'll take you five minutes." And they're like, "\$20 cash right now?" I was like, yeah. I show them the cash. And they go, "Okay, yeah. What do you need?" Name, date of birth, Social Security number. So when I get to criminal record, he says, criminal record. He's like, "Yeah, I've been arrested 3-4 times." He said, "For prostitution." He said, "But they're like misdemeanors." And I went, "Okay." And it was like, "Okay, well prostitution..." To me, women get charged with prostitution. Men get charged with solicitation. I went, "Prostitution?" And he said, "Yeah,

yeah." He said, "I offered to blow an undercover cop for 20 bucks." He said, "That's what I thought you were coming out here for." And I was like, "No, no, bro." I said, "Okay." And he's like, "Yeah." He said, "I mean - a girl's got to do what a girl's got to do." And he made some comment or something. I was like, "Okay." So, I jot down the rest of it. We're good. I give him 20 bucks. I get in my car. I leave. We get back to North Carolina. I order all of his documents. His name was Gary Sullivan. I then go to South Carolina. When I go to South Carolina, I get a real estate agent. We drive around for a day. We look at 5 or 6 houses. I put 5 owner-financing contracts on 5 different houses. So, he writes up 5 contracts - all of them are asking for owner-financing. I'll put down 10%. I want owner-financing. Two of them end up coming back and saying, "Yes, we'll do it." I have two closings. One of them is a house that's worth like \$225,000. I put down 25 grand. Another one's \$110,000. I put down \$11,000. So, I buy these two houses. I then satisfy the loans on both the houses. Everything seems like it's going okay - although, Becky's a lunatic at this point. She won't take her medication. She's had so many outbursts. And by this time we've had plastic surgery. She's gotten plastic surgery. She's gotten a boob job. She's gotten liposuction. I mean - all kinds of stuff.

### **Lex Fridman**

Look quite different? Like appearance changes? Or -

### **Matthew Cox**

Thinner - better looking - just tightened everything up, I guess. She had had a kid and she was 33-34. I don't know how old she was - 32-33? I don't know - roughly my age. Yeah, she lost like 15 pounds. Not because of the surgery, but just in general. We're just working out. We're going mountain climbing. We're riding bikes. Fraud's not a full-time job, so we have plenty of time. So we're goofing off, but she's also a lunatic. She's getting the cops called. She's able to go out and she's able to stay stoned 24 hours a day. She's going out with friends drinking. I never leave the house. Even to this day, I really barely ever leave the house. I'm very much a homebody kind of person. So, the idea that I'm able to make my living doing YouTube and I never have to leave my house, I love that. I don't ever go anywhere except for the gym and back home. That's it. So, what happens is I've actually moved her out of my apartment - like I had an apartment downtown - 30-story building. I actually move her into another apartment. She's that much of a lunatic. We can't even be in the same place. Multiple times I've tried to leave her. She's called me up and begged me to come back. It's horrible. So, I end up buying a couple houses in Columbia, South Carolina. I satisfy the loans on the houses. I've got an ID - not a driver's license, but an ID in the name of Gary Lee Sullivan - and I refinanced those houses - because keep in mind, there was owner-financing, but they also had mortgages. So, there's something called a wraparound mortgage. So, these guys did wraparound mortgages. So, let's say you buy a house for \$250,000 and the bank lends you \$200,000. And then, you owner-finance the house to me. So, I give you 50 grand down, but I'm not able to get a loan from the bank to pay off your mortgage. So, what we do is you do a wraparound mortgage. So I'll pay you your mortgage

and you pay the bank. So there is a second mortgage on the property, but it's wrapped around your first.

**Lex Fridman**

That's legal?

**Matthew Cox**

Mhmm. Yeah. I wouldn't lie to you. So, these have wraparound mortgages. So -

**Lex Fridman**

You're always selling, and you're good at it.

**Matthew Cox**

So I go, I satisfy the owner finance loans, the wraparound mortgages, and I satisfy the original loans that these people took out on their own mortgages. One of them, by the way, I sat - you have to sign as the president of the bank, right?

**Lex Fridman**

Yeah.

**Matthew Cox**

So, I sign it as C. Montgomery Burns - which is the aging tycoon - the guy that owns the power plant in the "Simpsons" TV show. So, I sign that and I notarize it - which I thought was cute. I actually wanted to sign all of them cartoon characters and Becky was screaming her head off and wouldn't let me do it - like I wanted to do all the Simpsons, right? But she wouldn't let me do it. She's screaming and hollering. Nobody knows who C. Montgomery Burns is. So I sign it - notarize it. All of those are satisfied. I then go to multiple banks and I start refinancing all these properties multiple times. So I'm applying for these loans, and I'm getting the loans, and I'm closing, so I've got like 5 or 6 loans on this one house, it's like 225,000. I think it was like 230, whatever. I borrow four or five loans on that house. So I borrow like \$190,000 like five times. So I've got like \$800,000, and then I borrow another 3 or 400,000 on the other house, the smaller one. So it ends up being like \$1.3 million. It's actually \$1.5 million. It was more. But what happened with that was - so keep in mind, you can only open up so many bank accounts in your name. You can go to Bank of America, they'll open one. Then you go to SunTrust, they'll open one. They might even ask you, did you open another bank account today? Because every time you do it, there's an inquiry into something called Check Systems or AccuCheck. And so then by the time you go to the third bank, they'll say, "Listen, something's not right. You've got multiple inquiries." If you go to, whatever, Mercantile Bank, they might go, "Okay, we're going to open one." They're going to need an explanation, but you're not opening more than three. By the third one, they're going to be like absolutely not. Something's wrong. So I've got multiple identities, but I can only open up so many banks. The other problem is that these checks, they'll only give you so

much money on a refi - usually after \$100,000. They only want to let you walk away with let's say a \$100,000. So, one of the things I did was I would typically record another mortgage and have them pay that mortgage off. So, I opened a corporation to do that. So I could then turn around and go open corporate bank accounts. Because now it's not going off my information, it's going off the corporation. So I can open up multiple corporate bank accounts.

**Lex Fridman**

Well, these corporations are fake or real?

**Matthew Cox**

No, no. I went to a real corporate attorney and had him open them. I gave him whatever. I gave him like \$1,500-2,000 and he opened up a corporation for me, Gary Sullivan, and I then turned around and I went and opened up multiple bank accounts in that corporation's name.

**Lex Fridman**

How are you keeping track of all this? Is it in your head or do you have good organization?

**Matthew Cox**

Oh no. Every single identity has its own file with plastic inlays - sleeves for their passports.

**Lex Fridman**

That's nice and organized.

**Matthew Cox**

For all this. Yeah, it's super organized.

**Lex Fridman**

You open this. I'm Gary now.

**Matthew Cox**

Right. That's exactly what it is. You kind of go over, boom, boom, boom, boom. You sit in your car for a minute, you put it down, you walk in. Well, what happens is it went up to 1.5 million, and I'm pulling money out of the bank, and then one day I got a phone call on Gary Sullivan's cell phone. The guy, it's a lawyer. They call up, he says, "Hey, I'm a lawyer with Washington Mutual. We have an issue." I said, "What's that?" He says, "We got a phone call from the title company." One of the title companies that I was attempting to refinance one of the pieces of property with noticed that I - they'd been sent a document that showed that I had purchased the property and I said I purchased it cash and the documents said I purchased at cash. And they got that. And there was actually a mortgage on the property. And so, somehow or another, they connected it and they called Washington Mutual and they said, "Look, there's an issue. We have a fraudulent document here." And he said, "So, we went and

we looked. And it turns out that we pulled public records and that there is a mortgage in front of us - several mortgages in front of us. So, there's like 3 or 4 mortgages in front of me - Washington Mutual. You owe us." And it wasn't that much. It was like it 100 grand, right? Like 95 or 100. And I said, "Okay." And he said, "So, there's an issue here. You've got a few mortgages in front of us and we're supposed to be your first mortgage and we're not supposed to be two mortgages behind or three." And I was like, "Okay, sounds like an error. Not a big deal. Have you contacted law enforcement?" He said, "No, I haven't. I was hoping we could rectify this some other way." I said, "You know what? I think we can. I'm going to have my lawyer call you back. I'm going to go to his place right now. Give me about 2 hours." No problem. I immediately run, jump in my car, head towards South Carolina, call my corporate lawyer, tell him, "Look, I need to talk to you. Here's what's going on." I explain it to him. He doesn't really understand. He says, "This sounds pretty complicated. My law partner is a criminal defense attorney. I'm going to set up a meeting right now with all of us." Okay. I get there 45 minutes later. I walk in the door. I sit down. He says, "What happened?" They said, "Gary, this doesn't sound right. What happened?" I said, "Okay, so listen. Bought this house. I bought it cash. I then refinanced it." I didn't buy it cash, but I told him, "I bought it cash. I refinanced it like 4 or 5 times within a day or two of each other." And they were like, "How is that even possible?" I was like, "Well, I went to different title companies" and I explained how I do it. I said, "Washington Mutual just found out that they're in second position or third position." Or I said, "But they may be in fourth position." You know they mail these things in so you never know. And he was like, "Oh my God." He's like, "What do you want to do?" I said, "I want you to contact them and agree for them to not contact the authorities provided I pay them off." He goes, "Do you have the money?" I said, "I do have the money. I can go get the money right now." He calls the lawyer. This is back when faxes, right? So, they fax some documents back and forth. They do a couple emails back and forth and they have a conversation. I remember the lawyer started arguing because he wanted to charge me like yield spread, and fees, and stuff. And I was like, "What are you talking about? I'll pay it." So, it ends up being a little over \$100,000. And I'm like, "That's it?" So, he's like, "Okay." And so he says, "Okay, that sounds good." And so he said, "Okay, all you have to do is go get the check." And he said, "Bring it to a Washington Mutual branch. Tell them to call." I said, "I'm not going into a Washington Mutual branch, bro. I'll bring you the check." So, he calls them back. "He's not doing that." "Right, okay." "I'll bring it here. You guys take care." He said, "No problem." Okay - hang up the phone and he turns to me and he says, "Okay, well. We have a problem." He said, "We still have the problem of these other mortgages." And I went, "Right." I said, "They don't know anything." He said, "I know, but Gary..." He said, "What if they find out?" I said, "They find out that they're like in second, and third, and fourth place?" He's like, "Right." I said, "I leave town." So, they both laugh. They go, "Gary, you can't just leave town. They have a copy of your driver's license. They have your Social Security number. They have your birth certificate. They'll find you. It's the FBI." And I go, "You're assuming I'm Gary Sullivan."

**Lex Fridman**

Wow. You tell them.

**Matthew Cox**

And listen. They looked at me and they went - and I remember he said - he goes, "We'll cross that bridge when we get to it." And I said, "Right, my immediate problem is getting rid of these people." And he goes, "Right. Right." So, I go get the check - bring it back - give it to them - never called the FBI.

**Lex Fridman**

Can't believe you got away with the Washington Mutual.

**Matthew Cox**

Oh, bro -

**Lex Fridman**

I mean - these are all really close calls it seems like.

**Matthew Cox**

No, this is the close call. I have two more close calls that my hands sweat thinking about it. I walk into Wachovia. I just opened this account 2 months ago, so it's a new account. So whenever I would go in there, I'd say, "Hey, I need \$7,000 - \$6,000." Anything over \$3,000, they had to call to get permission - like authorization. So she's like, "Okay, I got to go call." I said, "No problem." So, the girl walks in the back. I'm sitting there waiting. All of a sudden a massive person reaches over my hand and grabs my wrist - and somebody grabs it from the other one - and they pull my hands behind my back. These are two of possibly the largest law enforcement officers I've ever seen in my entire life. And they're massive. And they handcuff me and they say, "Mr. Sullivan, you're being detained. We're taking you into custody and we're holding you until a detective gets here."

**Lex Fridman**

Who are these guys? Is this just Marshalls, or is this cops, or what?

**Matthew Cox**

These are Sheriff's deputies.

**Lex Fridman**

Sheriff's deputies, okay. So Gary Sullivan, right?

**Matthew Cox**

Right. And as they walk me in the back, they're calling me Mr. Sullivan. They sit me down, and by now the Secret Service are looking for me. They were calling us John and Jane Doe,

but now they figured out who we were. And so now I'm on the Secret Service's Most Wanted list. I'm not number one, right? I probably was, but we just found out I was on that list. So it is getting bad. So they sent me down, and I'm waiting, and I remember thinking that the FBI was coming. I don't really know. At that point, I couldn't tell you the difference between everybody. And then five minutes go by and I'm sitting there going, "What is going on? Do you guys have any idea what's going?" They're like, "We don't know. We're just grunts. We just do what we're told." So suddenly this guy walks in, he's probably in his early thirties, maybe. He walks in, gray suit, I think he looks like he's FBI. He says, "Hey, I'm a detective with the..." I want to say Richland County - whatever - sheriff's department or police department - whatever. And I was like, "Oh, okay." And he says, "Yeah, listen. We've got an issue. Wachovia - they want us to arrest you." He said, "They're saying that you've got three mortgages on your house." And I go, "Is that illegal?" And he looked at me and he went, "You know - to be honest, I don't know." And I distinctly remember thinking, "I'm walking out of here. All I have to do is convince this guy I haven't done anything wrong. He's already said he doesn't know." So, he gets on the phone with the head of Wachovia's fraud department and he's saying, "This guy is running what's called a shotgunning scam" - which is absolutely right.

### **Lex Fridman**

What is a shotgunning scam?

### **Matthew Cox**

It's where you close on so many loans simultaneously, they can't catch it. Anyway, they start going back and forth, and he's on the phone, and he's like, "Why did you close three loans?" I said, "It's not illegal. I have a first mortgage, a second mortgage, and a home equity line of credit. That's perfectly legal." And he goes, and you can hear the guy. "They're all first mortgages," and I said, "I read every one of those documents - not one of them said they were first mortgages." And they don't. First mortgages don't say they're first mortgages. It's the placement of the mortgage - the placement of the lien - that determines is it a first, second, or third. So, it's possible that I wouldn't have known it. It's certain that I could have read those documents and not known. And he's like, "That's not true!" And he's screaming. And so I go, "Yeah, listen..." And he said, "Well, you're taking it out all cash. Why are you taking all cash?" I said, "I don't know if this might be illegal." I said, "I don't know." I said, "I mean - I work for a labor company. I work for a labor company, Labor On Demand. I pull out my business card. You can call." So, I'm like, "I work for Labor On Demand." I said, "We hire a lot of guys that they don't have bank account. So, the company pays them. Then usually, I'll pull out money and I'll cash their checks because they get charged like 10% at these check-cashing companies. I feel bad. I know the checks are good, so I just deposit them. I mean - I don't know if that's illegal. I don't think that's illegal." He's like, "No, no, no. That's fine. That's a decent thing to do it. That's fine." I'm like, "Oh, okay." He's talking to the guy and Wachovia - screaming out - hollering. He's going back and forth - back and forth. So, we're going back and forth and I'm just derailing everything this guy says. At one point, he's screaming, "He's committing fraud. We want him arrested." He's like, "I don't know what to



charge him with." He's like, "Hey, look. How did you even do this?" I go, "Look, I didn't do this." I said, "I came to Wachovia. I met with a loan officer." I said, "I need a first mortgage. I need to pull out \$100,000. I want to start buying houses." He goes, "That's right. You own another house here too, don't you?" I said, "I do." I said, "We're putting a new roof on it. We're going to build an addition. We're putting in a pool. I'm buying one right down the street from that one. Obviously, I'm pulling out money." I said, "So, I told them I need \$100,000." They said, "That's fine." "They said they could only get me \$100,000 out - for something about Fannie Mae guidelines" - which is true. "So then she said, 'I can send you to a friend of mine who's a loan officer. She can get you a second mortgage'" - which she did. "Then I told her, 'She could only get me \$100,000 or so - \$190,000.' She said, 'You should get an equity line of credit if you're going to be doing renovating properties.' So, she sent me to somebody and they got me an equity line of credit." I said, "I haven't committed fraud." I said, "I wouldn't know how to commit fraud if you told me." I said, "What sounds more reasonable? A guy that worked for a labor company ripped off a bunch of banks for over half a million dollars or some loan officers got together and did something illegal?" I said, "There's a problem at the bank." He says, "I think you've got a problem at the bank." This guy goes nuts. While he's screaming, "He needs to be arrested. This is fraud. My loan officers have not done anything illegal. They wouldn't do that." He says, "Look at his ID. His ID is fake. His ID starts with 000." South Carolina ID start with 000. This guy's in California. He has no idea. So, when he says that, the detective looks at my ID and he goes, "Listen." He said, "This is a real ID. I ran this guy through NCIC." He said, "This is Gary Sullivan." I looked at him. I go, "Now I'm not Gary Sullivan?" I go, "Come on, bro. What are we doing here?" He goes, "I know, Gary. I know." He says, "I'm going to take him downtown. I'm going to talk to my..." - whatever - lieutenant - whoever - captain. "I'm going to fill out a police report and I'll let you know." He hangs up. I get up. They've taken the handcuffs off. I stand up. As we're walking out with the detectives - as we're all walking out - he goes, "Hey, you have an ID. Do you have a driver's license?" I went, "I do, but it's in Nevada." He goes, "Oh, that's right." He goes, "You're from Vegas." He looks at the two deputies and they all grin. I think he ran me through NCIC - which means he ran a statewide criminal database - which means he thinks I've been arrested three times for prostitution in Vegas.

### **Lex Fridman**

Right.

### **Matthew Cox**

Listen, I'm humiliated. I was just like, "Oh, man." So one of the cops goes, "Here, give me the ID." Takes the ID. He goes, "I'll check and see." Because I have to follow him back in my car. So he goes, "And by the way, my car is in the name Michael Eckert." So, Michael Eckert - he doesn't have a photograph of Michael Eckert, because you can't pull up photographs from other states. So, he doesn't have a photograph, but he knows that's not my car. He asked me, "Whose car are you driving?" I said, "Oh, that's my boss, Michael Eckert." I said, "That's my boss." He goes, "Oh, Michael Eckert?" I said, "Yeah, exactly." I'm like, "Oh, my God." So I'm

thinking, "He knows Michael Eckert - knows it's registered in North Carolina - knows the address - which is where I was currently living. That's a problem." So, the deputy grabs the ID - walks outside - comes back. I have no idea if this homeless guy has a driver's license in Nevada. I don't know. He had nothing on him. He comes back and he goes, "Does he have a valid license?" He goes, "Yeah, it's valid." He hands it to him or he hands me the ID and he goes, "It's valid." He looked at me, he goes, "Yeah, well..." He said, "It says, he's 5'11". It was like 5'10", - 5'11" - and I'm clearly not 5'10" or 5'11". They all look at me and I go, "Fellas, with a good pair of shoes." They all go, "Follow us, Gary." I follow them back to the police station. Becky is calling me on the phone screaming her head off. Now, I'd always told Becky, "If I ever get arrested, immediately go get me a lawyer. The lawyer will be able to get me out on bond because I'll be arrested for something stupid." I said, "It'll be something like trying to cash a fake check." All my IDs are real, so it won't be for a fake ID. So, my ID won't be in question. Most police departments and sheriffs at that time did not run your fingerprints through AFIS because they charge them for that. So, they don't typically do it unless your identity is in question. Mine wouldn't be. I have a valid driver's license or a valid ID in that state. So, I go back. She's screaming. She's like, "Oh, my God! You don't understand! I just checked the internet - the website - you are #1 on the Secret Service's Most Wanted List." I was like, "I got bigger problems right now. They just held me in the bank. I'm following them right now." She was like, "Get on the interstate. Go, go." I cannot go. The detective's in front of me. The cops are behind me. They're escorting me to the police. Listen, she's like, "Oh, my God! Run! Run!" I go, "Look, I'm not a NASCAR driver." It's a sports car, but it's not going to outrun a radio or a helicopter. That's not going to happen. I know it seems nice. I'm not that guy. I said, "Look, you don't understand. I was in handcuffs 30 minutes ago. I just talked my way out of them. I'm going to get out of this." I said, "The worst that's happens is I'll be arrested as Gary Sullivan. You can get me an attorney. He can get me out." She goes, "I'm not getting you an attorney. I'm not getting you out on bond. I'm not risking everything I've got for you." Because she has all the money - we've got \$700,000-800,000 at this point. By the way, she's not even in North Carolina at this point. She's relocated to Houston, Texas. Because when this scam fell apart, we were going to move to Texas. So, we were already moving there.

### **Lex Fridman**

But by the way - just a small tangent - where do you store money in situations like this? When you talk about \$800,000, do you have to keep moving accounts to make sure it's not accessible by FBI?

### **Matthew Cox**

Well, there's about \$600,000 or \$700,000 accounts, but keep in mind, I'm getting that out in cash. There's no Bitcoin. None of that stuff exists. So, I probably should have bought diamonds or bought gold. I don't know any of that. All I could think of is go in slowly, be patient, don't drain the accounts, fluctuate them. I was getting cashier's checks from one account to another. So, the balances were doing this. They weren't just going - they were doing this. And then one day - boom - they're gone.

**Lex Fridman**

Okay, got it.

**Matthew Cox**

We've gotten out like \$600,000 or \$700,000. There's still \$600,000 or \$700,000 in the bank, but I'm not going back. I'm done. Well, look, I go in. So, I go into the police station. Well, first she says, "If you go in the police station, I'm done. If you get arrested, you're done." I said, "Well, then I better not get arrested." I hang up the phone. The cop's standing behind my car. I get out. I go in the police station, I walk in. I fill out the police report. He tells me, "I got to talk to my captain real quick. Can you wait?" He couldn't leave me in his cubicle. He goes, "Can you wait in the hallway? I can't leave you in the cubicle." I said, "No, no problem." So I go and I wait in the hallway. In the hallway are a whole wall full of, on the corkboard, wanted posters, black and white, black and white, car thief, rapist, murderer, Secret Service's most wanted. My face is right there. I'm like, "Holy Jesus." Everything in me told me, "Run, bro. Just - just fucking haul ass right now - right now - just go. Your luck's run out." Not that I even thought - there were so many. I didn't think he was going to see it. But everything in me just said, "Run." The problem is if you've ever been into a police station, you're not getting out of it. Do you understand?

**Lex Fridman**

There's a lot of cops around.

**Matthew Cox**

Well, not just that, but they buzz you in. You get in the elevator, you have to punch in a code. You have to punch in a code to get back out of the elevator. You have to punch in a code to get into the next door. I mean - it's impossible. I'm not going to get in the elevator. The cop comes back up. He said, "Hey, Gary." "Appreciate it." "No problem. My captain said, 'We're good.' We're going to wait for a phone call from the... no, wait. The district attorney called already. They're looking into it. I'm going to go ahead and let you go." I go downstairs. He walks me to my car. He said, "Look, do me a favor." He is like, "We do have some serious questions at this point. The district attorney says there's some things." I said, "Not with me." He said, "Well, just do me a favor." He goes, "Don't leave town." I said, "Bro, I own two houses here. I'm not going anywhere." I said, "I'm telling you right now. Wachovia, they fucked up." He's like, "I believe you. I believe you." - whatever he said. "I hope they're right. I'm sure you're right." Okay. So, I get in my car. I leave. I go to two more banks - pull out more money. But at one point, I go into a bank and two of the cashiers practically slam into each other trying to get to the phone. I can tell something's up. I go, "No, no, no, no. Something's up." So, I get in my car back out. One of them even runs out and looks at the tag number. So, I drive. I get in the interstate. I call Becky, of course. "I'm sorry. I love you. I would've never done that. I was just scared." "I understand."

**Lex Fridman**

Becky sounds like a handful.

**Matthew Cox**

Oh, my God. So, I go all the way back to Charlotte. I pack up my apartment. I drive all the way to Houston with my entire apartment packed up, by the way, in a U-Haul. The next day, the next morning, she's got people there packing it up, movers. We pack it up. I drive the U-Haul all the way to Houston. It takes a couple days. We have some guys unload it into a storage unit, because I'm going to stay with Becky until I find my own apartment. As we're driving around the neighborhood, super nice. She's living in that 20th floor or something of some huge high rise, great apartment. We drive by and I go, "Oh, stop the car and I want to get out." It was one of those cone things where there's flyers for a house. I jump out and I get the flyer. She's like, "What are you doing?" I go, "Well, I was just looking at the flyer," and she says, "I don't want to do a scam here. I want to live here. This place is nice. I love it here." I went, "Right, I understand." I said "No, but I have to find an apartment." She goes, "Oh, I'm just so disgusting. You can't stand to spend even a couple weeks with me." She goes just ballistic. She's screaming at the top of her lungs, and I know she's going to get me caught. She's never going to get me out. She's already told me that. So, we go back to the apartment, we go upstairs. I was so scared of this chick, bro. I was so scared. I remember I was going up in the elevator, and this girl gets on, clearly a stripper. I mean, drop dead, just wearing stripper clothes. As soon she got on, Becky gave me that with the face. I'm like this. I'm staring in the corner and never look at the girl. I remember we get off the elevator, bing, it opens. I bolt off it. Becky bolts off the elevator, and I remember she squeals, "I bet you just love to fuck that tramp." As the elevator doors are closing, she goes, "Hey!" I thought that was funny. So, I go to the apartment. We have a screaming match, kind of, tell her I want to split up the money. She tells me she's not going to split the money.

**Lex Fridman**

Why?

**Matthew Cox**

Because she said, "You can go somewhere else and do this again. You'll have \$1 million in 6 months. I have to live off this money."

**Lex Fridman**

Did she threaten you?

**Matthew Cox**

Oh, it was funny too, because the conversation back and forth, I remember saying, "No, I want half." She said, "I'll give you \$10,000." I said, "You're out of your mind." I said, "I'm telling right now. You come up with something reasonable. I'll take all of it." I said, "I'll take all of it." She goes, "And what? Escape in that U-Haul?" She says, "The cops are going to be looking for

in five minutes." I just remember thinking, "Oh, wow." Keep in mind, all of my IDs, everything are in the storage unit that she has a key to. I'm not getting those. It's over. I got an ID right now that says my name is Michael Eckert. I'm driving a U-Haul van.

**Lex Fridman**

Yeah, it sounds like she has a lot of negotiation leverage.

**Matthew Cox**

So we start arguing back and forth, and she says, "\$100,000. I'll give you \$100,000." I said, "I'll take it." She counts out \$100,000. Later when I recounted, it wasn't even \$100,000. It was like \$98,000. That's fine. It's fine. But we've got them all marked - \$2,000, \$5,000, \$6,000. She's like, "2,000, \$5,000 - dah, dah, dah - 12!" She ends up stiffing me. That's fine. It's not my money. So, I take it. I leave. And as I'm leaving, she'd always called me before on the phone, and begged, and pleaded, and cried. "I messed up. Please give me a chance. I'm sorry. I'll take my medication. I'm sorry. I thought I was better. I thought I was okay." I remember walking out. I put my cell phone on the counter and just walked out - went downstairs - got in the truck - and drove. When I got to Louisiana, I stopped at Baton Rouge. I mean - at some point, I stopped and I think I got a room or something. At one point, I know I stopped.

**Lex Fridman**

So, you drove without a plan essentially?

**Matthew Cox**

No, I drove back to Charlotte to get my car.

**Lex Fridman**

Got it.

**Matthew Cox**

So, I can't be driving. So, I stopped at Baton Rouge at one point and got a cell phone, like a burner phone, a Verizon - Virgin Mobile - or something - one of those little phones. So, I bought one. I call a few people at home - back home - called my mom. She's in tears crying. My dad's yelling in the background.

**Lex Fridman**

Just a small attention. What did your mom and dad say? Do you remember anything stand out to you?

**Matthew Cox**

No, my dad, well, I hope you're happy. Every time someone mentions your name, your mother cries, which is funny to me because growing up, he was never concerned about her crying. So, it was like, "Since when did you care?" My dad, he's an alcoholic. He's been sober

for 2 years - a month and a half - drinking binge - and then sober for 6 months - and then did it again - then sober. It just went back and forth and in and out of alcohol drug programs. But like I said, worked for State Farm and he was a top-selling manager. So what they would do is they'd put them into a 30-day program, and I mean, he has to stay there. They were the only ones that had that control, because they're like, "You're going to do this and you're going to pass it, or we're firing you." He made a lot of money and he made a lot of money for State Farm. He hired and trained a ton of agents, and he had one of the top performing agencies. So, he was worth a lot to them. What ends up happening is I get that phone that I was telling you about, and I called, talked to my mom. She's crying. She's like, "I love you so much. I just want to make sure you're safe." I end up calling Susan Barker, which was one of the brokers that worked for me at the time, call her, and I say, "Hey, what's going on you?" She's like, "Oh, Matt, what's going on? FBI is everywhere. They've been talking to everybody." It's like a year and a half at this point. She's like, "They come around every once in a while. Everybody's gone in, everybody's cooperating, everybody's talking, everybody's blaming you," including her. So, as we're talking, she said, "Look, the main FBI agent on the case, she told me if I ever spoke with you to have you call her." I was like, "Yeah, I'm good." So she goes, "Her name is Candace, and she wants you to call her." She goes, "At least call her for God's sakes. Maybe you could just turn yourself in. Maybe you can negotiate just like a couple years. If they're not going to catch you, then maybe turn yourself in. Maybe it'll help, at least hear her out." I was like, "Okay, alright. You're right." Hang up the phone. I call Candace. She picks up the phone. I go, "Hey." She goes, "Who's this?" I go, "This is Matt Cox." She goes, "Hello, Mr. Cox. How are you?" I go, "I'm doing okay. How's it going? I understand you want to talk to me." She goes, "I do." I said, "What can I do for you?" She says, "You can turn yourself in." I go, "Well, that's not going to happen." I said, "What else do you need?" She said, "I think that you should think about turning yourself in." I said, "Why? Well, what am I looking at?" She goes, "Well, that's not how it works. The way it works is you turn yourself in and we take that into consideration." I said, "No, no, no, no." I said, "That's not good enough." I said, "I'm not stupid enough to turn myself in and hope for the best." So she says, "Well, let's talk about this." I said, "Well, what am I looking at?" She goes, "I don't really know. I can't tell you that." I said, "Well, then we don't really have anything to talk about." She goes, "Well, wait a second." She said, "Hold on. Let me call the US attorney. Maybe we can work something out." So I said, "Okay, I'll call you back." She said, "Well, give me your phone number, I'll call you." I went, "No, no, no." I said, "I'll call you." I said, "I'm going to hang up the phone. I'm going to turn the phone off." I said, "For all I know, you're triangulating this phone calright now or something." She goes, "Oh, give me a break." She goes, "You're not that important." I remember thinking, "Who do you think you are? You're just some little fraudster guy running around. You're not a terrorist." I almost was like, "Oh, okay. Here's my number," which she probably already had. But I almost was like, "Okay, I'll wait for your call and left my phone number." I said, "No, you know what?" I said, "I'm going to hang up the phone. I'm going to turn it off anyway, and I'll call you back." Alright. Whatever. I hang up. I turn off the phone. It turns out I found out later when I ordered the Freedom of Information Act. She actually immediately called the US Marshals, and they immediately called, took the phone number, and tracked back the phone

and immediately had two marshals from Baton Rouge go immediately to the place where I had been.

**Lex Fridman**

Damn.

**Matthew Cox**

Oh, listen. Yeah.

**Lex Fridman**

They work fast, and she's good too.

**Matthew Cox**

Not just that. I made the initial calls sitting there where I went and bought the phone. It was a gas station. There was also a Subway station. I had ordered a Subway. I was eating a Subway, playing on my computer, programmed the phone, and making phone calls. So, by the time I talked to her, they're driving. By that point, I walked and gotten into my vehicle and I leave. But who knows? I don't know if they showed up 30 minutes late. I don't know. I could have hung out. Oh, I'm just going to finish my food, could have shown up. So, I call her back an hour or two later. She says, "Listen, first time he hadn't got back with her." Then he did. Then he came back. He said, "7 years. He's got to turn himself in here." So 7 years, that seems like a lot. I kept saying, "Is that 7 years for everything?" She goes, "Yeah, that's for everything." I was like, "That's everything that happened in Atlanta and some stuff that you don't know about?" She said, "Look, what's important is you turn yourself in Tampa." I was like, "Okay. Well, I'm closer to Atlanta. Why wouldn't I turn myself in Atlanta?" She's like, "Look, you don't want to do that. You don't want to do that." Well, because the Secret Service would've gotten the credit if I'd walked in there, right? So I don't know anything about rivalries and how they work at that time. I do now. So, we go back and forth, back and forth, and I continually ask her, "Does that include Atlanta and everything?" At some point, I realized like, "Oh, she's just not answering." So finally, I said, "Listen, you keep dodging this question." She said, "All I can speak for is Tampa. So, if you come back to Tampa and you cooperate against everyone, 7 years." She wants me to cooperate against my ex-wife. I'm like, "I'm not going to do that." I said, "My ex-wife didn't do anything. She doesn't know anything. She didn't do anything." Well, that's not what I heard. She's going on and on. I was like, "No, no." I was like, "Oh, wow." I was like, "So, that's just for..." She's like, "That's right." I said, "Alright, we're done." No, wait. I can call the Atlanta US attorney. No, lady, I wouldn't believe you if you told me water was wet. I don't trust you. I hung up the phone, threw it out the window, and I ended up going to Charlotte, dropped off the U-Haul van. I would've actually brought it back to the dealer. It's not like I evaded. I brought it back. So, I bring it back. I go to my old apartment in Downtown Charlotte, and I remember thinking I would be okay. I know by this point that they knew Michael Eckert's name. They had the address in Charlotte. So, I know by this point, it's been 5-6 days. So, I know they've tracked him back

there. So, I figured if I could get my car, I'm fine. So, I go into the apartment complex, and it's one of those four or five, 6-story apartment. Those are parking things that stack up. So, I go into this parking garage thing. So, I go in. I'm on the third floor or something. I look at my car and I get in my car. I remember as soon as I drove out of the parking garage, I was like, "I'm good." So I can go ahead and pull across the street and stop at Starbucks. So, I stop at Starbucks. I walk into Starbucks. I order a Starbucks. I'm standing there waiting for the barista. I look over and it's two people from the apartment complex staring at me. They're whispering and pointing, and I remember thinking, "This is the fifth of the month." I hadn't paid my rent. I hadn't been there. So, I thought that makes sense. Maybe I'm picturing an eviction notice or a 3-day notice on my door or something. I'm like, "Okay." Then one of them bolts out the back. There's a guy and a girl. The woman runs out the back. He's standing there staring at me. I get my venti vanilla latte. I get my little frou frou drink. So, I got my frou frou drink. I walk out, I get into the car. He follows me. I get in the car. I set everything up. I put my seatbelt on. I'm okay. He's standing there staring at me. I'm thinking, "Something's wrong. What's up?" I check to see. There's no traffic. I'm good. I'm about to leave. He starts screaming, "He's right here! He's right here!" I look in the rear-view mirror. There's two guys running towards the back of my car. I punch it and I take off. Sounds dramatic. It wasn't that dramatic. There was no cars. I knew there was no cars already pulling out. It wasn't like a T. J. Hooker, where I jumped over, slid across the hood. They didn't catch the car and hang onto the back. So, they're running, and I, boom, hit it.

**Lex Fridman**

Did you spill the coffee?

**Matthew Cox**

No. It was one of those little things. It was actually nice.

**Lex Fridman**

You're making it sound like you were pretty calm. Weren't you panicking here?

**Matthew Cox**

I was terrified. Terrified.

**Lex Fridman**

So you're under fear. You're still operating -

**Matthew Cox**

Yeah, I operate.

**Lex Fridman**

- calmly.



**Matthew Cox**

It's funny you say that, because the Secret Service, when they talk to these guys, all the people that they spoke with said the same thing over and over again. The guy was a professional. He never seemed upset. He never seemed agitated. He was never in a hurry, but most of the time, I wasn't, because it wasn't until the police got involved or the federal law enforcement got involved that I started really getting anxious. So, at that point, I take off. I drive about a mile down the road.

**Lex Fridman**

Who were the two guys, by the way?

**Matthew Cox**

I thought it was FBI. I ordered the Freedom of Information Act when I got to prison at some point in the future, and it was U.S. Marshals.

**Lex Fridman**

It sounds pretty dramatic to me, U.S. Marshals running towards your car, but it's alright.

**Matthew Cox**

It's hard not to tell it like it's dramatic.

**Lex Fridman**

I understand. There's not much traffic. It goes. Okay.

**Matthew Cox**

It's not like their fingers were at the back of the car. They're holding on. But yeah, if I had waited an extra 20 seconds, yeah, they would've been on my car. They would've been right there at the door.

**Lex Fridman**

Did you consider giving up there or no?

**Matthew Cox**

No. Listen, my instinct is get out, go, go, go, go, go, go.

**Lex Fridman**

You're already on the run.

**Matthew Cox**

I'm already in trouble. It's not like they're going to add anything. Although, to be honest, it only got worse, because actually, at that point, I drive down the road. I stop at a homeless facility. I survey three guys. I'm a mile down the road. Looking back on it, I think, "What were

you thinking?" But there were three homeless guys that were in their early 30s, and they were all Caucasian. That's hard to find. So, trust me, I've spent hours before finding these guys.

**Lex Fridman**

So that's the golden thing you're looking for is white guys in their 30s.

**Matthew Cox**

Right, because I was in my 30s. I wasn't an old man, like I am now. So, I surveyed them. I drive straight to Nashville, get to Nashville, drive through an area called Green Hills. Well, first when I got to Nashville, I stayed the night, and the next day I went into - I'm going to say a UPS store. It was actually a Kinko's. They used to be called Kinko's.

**Lex Fridman**

I remember Kinko's. They got bought by FedEx, I feel like.

**Matthew Cox**

Oh, is it FedEx? Okay. Then it was a FedEx store. So, I go in there and you give them like 50 bucks or something or 20 bucks or something. They'd give you like 100 business cards. So, I go get a phone number, a burner phone. I go in there. I call and get a phone number the local HQ. I come up with a name, Manufacture Funding Group. I've got two phone numbers. I get business cards made. One of the guy's name that I surveyed was - his actual name was Joseph Marion Carter Jr. I went by Carter. So, I get business cards made of Joseph Carter. I then drive through Green Hills, took them like an hour to get the card. So, I'm driving through Green Hills. I'm planning on going to an apartment, but still I don't have an ID. I don't have anything. I'm wondering, "What am I going to do? How am I going to get a place to stay? I'm going to stay in a hotel. What am I doing?" I'm using an ID that the cops are looking for. So, as I'm driving, trying to find this big apartment complex, there's a guy putting a sign in the front yard of a townhouse, several townhouses, probably in his 60s. I pull in, jump out of the car, and I said, "Hey, is this for rent?" He said, "Yes, it is." I said, "Oh, okay." "Yeah. Can I see it?" "Sure." I go in - check it out - come back downstairs. It's perfect. I said, "Listen, I work for a company, Manufacture Funding Group." Boom - hand thing. I said, "I've been in Europe for the last..." I forget what I said. I said, "England - some little town outside of London" - whatever - "Dexter, London for the past 5 years. I don't really have any credit." But I said, "I can put down a double the security deposit or whatever you need. Here's my business card." He looked at me and he looked at my car and he goes, "You look like an honest young man." He said, "I'll take the first month's rent and deposit." He said, "Now, I'll go get a lease right now." I said, "Okay." I said, "Oh, okay." - filled out a lease right then - gave me the keys - nice - very trusting in that town.

**Lex Fridman**

Oh, yeah. But there must've been also something about you where you just got a nice car.

**Matthew Cox**

You're going to get a lot of comments to say white privilege.

**Lex Fridman**

I think the charisma has something to do with it.

**Matthew Cox**

Well, I appreciate that. So, he gave me the keys. Listen, I ordered all of Joseph Carter's vital information, all of his birth certificate, Social Security card, everything that night from a Kinko's or I forget where, but from one of these places I went online. You could go online back then. There wasn't WiFi everywhere. So, I ordered the stuff. It shows up a couple days later. I take that information. I go and I get a driver's license. Within 7 or 8 days, I've got a driver's license in his name. I get in that car, Michael Eckert's car. I drive it all the way back to Nashville. I leave it in long-term park. Michael Eckert's car, I drive it all the way back to Nashville. I leave it in long-term parking, get on a plane, fly back to Nashville, go in and buy myself a brand new car. It wasn't brand new, it was a couple of years old - but from like CarMax.

**Lex Fridman**

Mmhmm.

**Matthew Cox**

Went in - within two weeks, I am completely 100% set up. I start dating for 3-4 months. That gets really boring and -

**Lex Fridman**

Where - where again? In Nashville you said?

**Matthew Cox**

Nashville.

**Lex Fridman**

Okay, got it.

**Matthew Cox**

So, I started dating a bunch of chicks and then I end up meeting this one girl.

**Lex Fridman**

By the way, are you lonely here because you're on the run? Is that -

**Matthew Cox**

Man, listen, I'm telling you right now, being on the run was the best part of my life.

**Lex Fridman**

Really?

**Matthew Cox**

You know how all these guys say, "It was horrible and I was always so concerned and looking over my shoulder and," it wasn't, I wasn't. Keep in mind, I've gotten five or six traffic tickets while on the run. I went to traffic school as someone else. I got so many traffic tickets in his name, I went to traffic school as him. If I got pulled over, I'm not concerned.

**Lex Fridman**

So your confidence just was over the top here.

**Matthew Cox**

And I'm driving a vehicle in the name of the driver's license that I have that was issued by that state. Full coverage insurance. I'm not an idiot. I'm not driving around a stolen car with a broken taillight and a body in the trunk. I'm covered. I'm not concerned about the local cops.

**Lex Fridman**

Plus you're going to Starbucks - sipping your coffee and driving away from U.S. Marshals -

**Matthew Cox**

Right, right. That was -

**Lex Fridman**

You could start believing that it's impossible to catch you.

**Matthew Cox**

That is exactly what it is. It's - it's - every time, I just kept getting more and more emboldened - more and more cocky - arrogant. Like, "They're not going to catch you! I'm too good!" - which is great until they catch you. And so, I meet a girl named Amanda Gardner. Well, what I end up doing is, keep in mind, I've only got a hundred thousand or so. So I go and I start buying houses in the area, in this area called J.C. Napier. It's just close to downtown. And I buy these houses and I start - I buy them for like \$60-70,000 and I record the sales at 210, 190, 205 - that sort of thing. Same thing, and I refinance the houses, I start pulling out money. I meet this girl, Amanda Gardner. We hit it off. Within a few months, she's moved in. We move into a house in that area. I renovate a house. We move in there. I borrow three and a half million dollars and I'm buying houses. Now I'm buying houses, recording the value. I started all over. I borrow, whatever, three and a half million dollars. I meet Amanda, we move in together. We're buying -

**Lex Fridman**

Do you tell her about what you're -

**Matthew Cox**

What she knew was that - it's odd, right? I have no photographs. Everything I own is brand new. She's like, there's nothing in this house that's more than four months old. So 6 months old, you have no photographs, you have no internet presence. Every stick of clothing is brand new. You don't have old pairs of jeans.

**Lex Fridman**

Do you tell their stories about the past of any - is there a fabricated -

**Matthew Cox**

Initially there was a fabricated version that I owned a mortgage company. My typical story was I owned a mortgage company and I got bought out by Household Bank. Started doing very well, I got bought out by Household Bank. I have a non-compete clause. I got - I ended up with half a million dollars after paying off all my bills and just decided to travel around the - the U.S. and now I'm here and I'm going to start renovating houses.

**Lex Fridman**

Yes.

**Matthew Cox**

But that - you don't call home. Nobody calls you. Your family doesn't call you. You tell stories about your mom, your dad, your brother, your sister, friends. I don't know any of these friends - never seen any of these friends. They never call you. It's like, "Ah, shit." So at some point, I basically just said to her, "Look, at one point I had to have a check cut. I refinanced the house and I had, I'm going to say something like - it might've been \$30,000 - but let's say \$20,000. I had a \$20,000 check cut to Amanda Gardner because you have to have these checks. You can't have them cut to me." So I would say, "Hey, there's a second mortgage on there." - and I'd provide a second mortgage or I'd provide different things. And I knew I need names of people to cut these things to. So I had a check cut for whatever. So I remember we're at dinner one night. This is before she really knows who I am. And I said, "Hey." I said, "Oh." And she goes, "Oh, you had a..." She goes, "How'd that thing go, your refinance?" I go, "Oh, thank God you said that." Boom. I said, "I need you to deposit this." Give her a check for \$20,000. She's like, "I can go tomorrow and I can deposit it. And I..." And I'm like, "No, no." I'm like, "Look, it's fine. Just deposit." She's like, "As soon as it clears, I'll get you a cashier's check." I was like, "No, just deposit it and keep it in your bank. It's fine." So she's like, "What is going on?" So we have this conversation and I tell her, "Look, people are looking for me." "Who?" "Law enforcement." "Which ones?" "All of them." She's like, "That doesn't even...for what?" I go, "Mostly bank fraud." And she's like, "Well, how are they not finding you? People know you - your general contractor which I met 4 months before - this guy, 6 months before

- this one, 2 months before." She's like, "So and so, so and so, so..." And I'm like, "Right, right. Well..." I said, "Well..." She's like, "They've got your name, they've got your..." I go, "Well, that's identity theft." And she was like, "What do you mean?" I said, "Well, my name's not - it's not Joseph Carter." "What is your name?" I go, "Look, don't even worry about it. This is what's happening. This is where I'm at." And this has been months into the relationship. This is - I'd say - maybe a month or two in - but she was just too inquisitive and - oh, I know what it was. She found like \$40,000 in cash in my freezer one night. That was another thing that happened. She went to get a popsicle and she opened up the flip to get a popsicle. And she opened the wrong one and there was all cash. And she was like - in this conversation - she's like, "The other day I opened up the popsicle box and there's cash." And I'm like - so, I kind of explain it. But I had a feeling she's going to be okay with this.

**Lex Fridman**

So, she was okay?

**Matthew Cox**

She was okay with it. Like -

**Lex Fridman**

It's - I mean - to me, that's just a fascinating conversation to have.

**Matthew Cox**

It was a great conversation, but -

**Lex Fridman**

Because oftentimes in relationships, you learn about each other and you find out new things. And here you find out -

**Matthew Cox**

That's a doozy.

**Lex Fridman**

Yeah, it's a good one to find out. The name you're using is not your real name. And the Secret Service, the FBI and everybody else are looking for you.

**Matthew Cox**

Yeah.

**Lex Fridman**

And to be honest, you're not a violent criminal. So it's like -

**Matthew Cox**

But she didn't know my name. She was like - she - and I told her - I said, "Look, if you start digging - if you find out my name, I'll leave. There's certain things that catch you. Staying in contact with people that you know, that's how you get caught. Going back to see people, that's how you get caught. Telling people who you are, that's how you get caught." And I was like, "So, I'm Joseph Carter. Everything's fine." And she was like, "Okay." And keep in mind too, this girl - "Oh, your car's broken or your car's not doing well. Take it and trade it in. We'll go get you another car. We'll go get you an Infinity FX or whatever. A \$55,000-60,000 vehicle." She's driving the equivalent of a beat up old Nova. "You want to go on vacation? We'll go on vacation. You want to do this? You want to do that?" So, we're buying houses. We're renovating houses. We're building brand new houses. We're buying lots. She's in the middle of this - like holy Jesus - there's hundreds of thousands of dollars in the bank - in our bank account - her bank account. I open up a corporation in her name. She's opening up bank accounts. There's websites. It's a lot - it - and while this is happening, we start seeing a friend of hers. So, this other girl comes in the picture. Her name's Trina and Trina is semi-lesbian. So -

**Lex Fridman**

Is this like a sexual thing -

**Matthew Cox**

Yeah, so -

**Lex Fridman**

- or actual relationship?

**Matthew Cox**

No, it's more like she's coming over a couple times a week.

**Lex Fridman**

Okay.

**Matthew Cox**

So, we've got tons going on and - how do I put this? So while this is happening, I end up coming out in several magazines. So, I'm thinking this whole thing's dying down, but it's not dying down because now I just got caught and handcuffed in a bank - walked out of the police station - outran Marshals. Although that part, the Marshal thing, was never in the papers. But the getting caught and handcuffed in the bank - when that hit the papers - that's everywhere, bro. That's huge. Suddenly, Chicago Tribune's running a series, "The Fugitives". I'm in Bloomberg Businessweek. They run an article called "Sharks in the Housing Pool". Then you've got Fortune magazine - comes out with a thing - because by now, guess what? Becky's been caught.

**Lex Fridman**

Oh, Becky.

**Matthew Cox**

Becky.

**Lex Fridman**

Is she in Houston or whatever?

**Matthew Cox**

In Houston, got caught.

**Lex Fridman**

And did she -

**Matthew Cox**

But gangster, bro. The way she, here's the thing, I -

**Lex Fridman**

Hey. Hey, there you go.

**Matthew Cox**

Oh, no, she told on me immediately.

**Lex Fridman**

Oh, she did?

**Matthew Cox**

Yeah, it's -

**Lex Fridman**

Oh, no. Oh, no.

**Matthew Cox**

It's fine. She did the right thing. So here's what's funny about that.

**Lex Fridman**

I don't know about that.

**Matthew Cox**

Here's what she says.



**Lex Fridman**

Loyalty is everything in this world, my friend. That - you and I disagree on.

**Matthew Cox**

I just took off. I just took off -

**Lex Fridman**

Still - still -

**Matthew Cox**

- on her and left her with - with - listen! With 5 or 600,000 - is what I left her with.

**Lex Fridman**

It's - it's not all about money, Matthew. It's also about - just like - you know - ride or die. There's a meaning to that.

**Matthew Cox**

Oh, my God.

**Lex Fridman**

I'm sorry. Go ahead. Go ahead.

**Matthew Cox**

So -

**Lex Fridman**

She told on - she said everything.

**Matthew Cox**

Well, here's what - when I say gangster - when she gets caught, they come in. She's in the middle of beauty school. She's paid for beauty school. She's going through beauty school. She's going to open a salon or something. So, she's in there cutting hair - in a class - on a mannequin - and all of a sudden, 5 or 6 Secret Service agents come in - guns drawn - screaming, "Get on the ground! Get on the ground!" She said - everybody dropped the ground - she goes, "I'm sitting there with scissors going..." They grab her. They handcuff her. They bring her in and the whole time - now at that point, her name was Rebecca Hickey. She went by Becca. So, she's Rebecca Hickey. She's got a Texas driver's license - the whole thing. And they're screaming at her, and they put her in the car, and they're driving. The whole way - the Secret Service agent told me, "45 minutes..." She's telling us, "You're losing your job, bro. You're losing..." He's like, "I couldn't believe it. We've got pictures of her." We're like, "This is you." She's like, "That's not me. Are you insane? Look at that chubby little thing." Oh my - Jesus! Would not budge until they actually put her hand on the scanner and she

goes, "Okay, I'm Rebecca Hickey. What do you need?" They're like, "Where's Matt Cox?" She's like, "I have no idea. That fucker left me like a year ago." So -

**Lex Fridman**

But she contributed to the story - to the legend that's already growing.

**Matthew Cox**

Because she was interviewed by Fortune magazine and it was horrendous. The article is horrendous. "He was abusive. He's a Don Juan that forced me to fall in love with him, commit mortgage fraud, and then took all the money and left." By the way, they found 40 or 50 grand on her, and maybe another 30 or 40 in her bank account, and no other money.

**Lex Fridman**

Yeah.

**Matthew Cox**

Where's the other money? So anyway, and she was - by the way, she got caught - she was in communication with her family. So, she's talking to her mom.

**Lex Fridman**

That's how she got caught, ultimately.

**Matthew Cox**

And her mother, through multiple conversations, one conversation being, "Mom, I'm doing fine. I can't tell you where I am exactly, but I'm in Houston, Texas. I'm fine." Next one, 6 months later, "I enrolled in beauty school." Houston, Texas Beauty School. How many are there?

**Lex Fridman**

Yeah.

**Matthew Cox**

And her mom - bipolar. "I just want to see my daughter!"

**Lex Fridman**

Yep.

**Matthew Cox**

I'm going to call the Secret Service.

**Lex Fridman**

Yep.

**Matthew Cox**

I'm doing the right thing.

**Lex Fridman**

Yeah.

**Matthew Cox**

And honestly, she is doing the right thing.

**Lex Fridman**

So, you're getting more and more famous -

**Matthew Cox**

It's bad.

**Lex Fridman**

- nationally.

**Matthew Cox**

Right, so I've got all these houses -

**Lex Fridman**

You're having a threesome with Amanda and Trina.

**Matthew Cox**

And what ends up happening is we end up going - and listen, Amanda and I, we've gone to Greece, Italy, Croatia. We're going on multiple trips. And remember we had just gotten back from a 10-day cruise of the Greek Isles. And we get home and Amanda goes online and there's a blog about Dateline, about one of their new specials called the Thief of Hearts, and that's me. Apparently I'm the Thief of Hearts, and I am apparently going around, and it's based on Becky's story, that I'm wooing women to commit fraud, stealing all the money and then leaving them to hold the bag. Well, they interviewed her. They're interviewing multiple people, in my case, they're putting together an episode. It's going to be released in a month or so. So I'm terrified. At this point, I've been on the run 3 years, and I'm like - there's lots of things I could care less about. Fortune, I don't know anybody that reads Fortune, Bloomberg - come on. I'm hanging out with contractors and laborers and I'm not hanging out with these guys. So local news - who cares. Even local news channels, I don't care. But Dateline, there weren't 400 channels back then. So, Dateline comes out. Even if you don't see it the first time, they're going to rerun it in 3 months - or 6 months - or 10 years from now. They might rerun it again. My face is going to be on it, so I could be perfectly fine. 5 years from now, in 1 day, the barista that I go to every other day looks at Dateline and goes, "Oh my god, that's Mr. Johnson." Or, "That's Mr. Thomas." Or whatever. So the point is that I was like, "Yeah, I got to

go. I can't stay here. I got to get out of the country." So, I was going to go to - well, we really started doing research and Amanda ended up saying, "Australia." Australia at the time - I don't know how it is now - but at the time, if you went to Australia with a hundred thousand dollars and a business plan, you could become a permanent resident alien. You can't vote, but you can buy property. You can open a business, but you can't get a job. And they didn't require a fingerprints. So, there's no criminal background check. Now, if you wanted to be a citizen, you have to get an FBI criminal background check. Like - like - I - "No, I'm good." So I was like, "Wow, I can go there and start a business. And I'm going to start - show up with a couple million." So, what we do is we start refinancing houses. We start pulling out money as quick as we can. I'm asking guys - laborers, guys that I work with, my general contractor, my real estate agent - "Hey man. Can you cash this check for six grand? Can you cash..." Nobody says no. Everybody: "Yeah, no problem. No problem. None." A few guys like, "Yeah, man. If you give you 10%." "Yeah, I'll give you 10%." So, that's happening. We're pulling out cash. One day, Amanda gives Trina a bunch of checks and asks her to cash them. That sparks a conversation that - like - "What is happening?" She confides in - by this point - by the way, Amanda knows who I am.

**Lex Fridman**

Mmhmm.

**Matthew Cox**

So by this point, she's actually came across the letter that I wrote to my parents when I left Tampa. So, she's figured out who I am. She tells Trina, "His name's Matt Cox. Dateline's coming out. We're gonna - we're leaving. We got to get a bunch of cash." And Trina goes, "Okay, I'll cash the checks." And what she does instead is she calls the Secret Service. They watch my house for 3 days. I come home one day. They pull the cars up and they arrest me. So, you know - it's a little bit longer than that, but that's the shorter - that's the short version of me getting arrested. And you know - I've probably skipped over a whole -

**Lex Fridman**

So, simple because you've gotten in the way with much more complex situations.

**Matthew Cox**

It's women, man. It's women - just joking. Hahaha.

**Lex Fridman**

They also are the thing that make life worthwhile.

**Matthew Cox**

Listen, God bless Trina. She did the right thing. It - it - honestly, based on -

**Lex Fridman**

There you go - back to the "right thing".

**Matthew Cox**

But based on what she saw - based on what the Secret Service told her - and the articles that she's reading - I'm a bad guy. I'm a bad guy, in general. So, I don't deserve loyalty. I don't think so. I'm ripping people off and she's thinking that her friend is in danger. The FBI is saying, "I have a weapon. He's dangerous. We believe he's armed and dangerous." When I was in Florida, I had a concealed weapons permit, but I had gotten rid of both my guns when I was placed on probation. I've never had one since. I've never touched a gun since. But they used that to say - you know - they said, "Oh, he had a concealed weapon permit. Okay, well then he's armed and dangerous." There's these little things and things they're telling her, "Read this article. Look, he forces girls to fall in love with them. That's what he's going to do to your friend." So she negotiated - and also, I think she got 10,000, I think - which is embarrassing. I'm ashamed that she got \$10,000.

**Lex Fridman**

And said everything.

**Matthew Cox**

Yeah, and - and told them, "This is where he is. His name is Joseph Carter. This is where he is." They watch it, they grab me, they arrest me. They bring me downtown.

**Lex Fridman**

What did you feel like when you got -

**Matthew Cox**

I didn't feel good, bro. It was bad. It was a bad day. It was a bad day. First of all, Casino Royale was coming out on Friday. It was the first Daniel Craig as James Bond.

**Lex Fridman**

That was the first, yeah.

**Matthew Cox**

And the whole week I'd been telling Amanda, "I'm going to go see Casino Royale." She go, "Okay, well on Saturday we're going to go to the festival." I go, "That's fine, but on Friday, Casino." And she's like, "Right, Casino Royale." And then she's like, "Okay, by the way, on Thursday I thought we could go to dinner." That's fine, but on Friday, Casino Royale. And when they put the handcuffs on me, you want to know the first thing I thought of? I'm not going to fucking get to see Casino Royale. I'm not going to get to see it, not going to see it. And I saw it about five, 6 years later, it went on the institution's movie channel. It was nice. It's not the same, but, yeah. So they bring me to Nashville, then they transport me to all over

the place. I go on Con Air, they fly me to Oklahoma, they fly me to Atlanta, then I go to Atlanta. I'm placed in the U.S. Marshals, holdover. I get assigned an attorney, go in front of the judge, plead not guilty, meet with my attorney. You always plead not guilty. Whenever people say, "Can you believe that he pled not guilty?" Nobody walks in and pleads guilty. You plead not guilty while you figure out what you're going to do. So I plead not guilty. There's no bond. Obviously, they caught me. When they caught me I had four or five passports, so that's no good. They charged me with bank fraud, conspiracy to commit bank fraud, wire fraud, mail fraud, passport fraud, conspiracy - what was the other? Aggravated identity theft, money laundering, use of a fraudulent passport. And there's like 30 counts of this, 20 counts of this, 20 - but none of that matters. Even if you just dropped all the counts to one count and stacked them, it's like 150-something years - not that they're ever -

### **Lex Fridman**

Yeah, so everything - everything they could -

### **Matthew Cox**

And that's what they always say, "You're looking at 150,000." And your lawyers, they're like, "You're not looking at that. You're looking at 54 years." "What?! That's no better! That's no better!" Yeah, so my lawyer comes in and sees me one day - our first meeting - and she says, "I'm Millie Dunn." And she says, "Listen, I've looked at everything..." Well, first they say, "You're responsible for - it's like 25 or 26 million - in loss." And I'm like, "That's not true. I've never - that's not true. That's not true." And was like - I said, "Not even potential loss. There's just no way. There's no way." And then she comes back and she says, "Well, they're saying \$19 million." "No, it's not possible. I'll tell you anything. I don't - I didn't - no." So, when the FBI is saying \$40 million, they're saying 11.5 in Tampa, plus \$40 million for the mortgage company. So, it ends up being - plus what I stole on the run - it ends up being like \$55 million, but she gets them to drop the 40. That's - that's just brokers That's this. That's that. Drop it. And they're like, "He's so done. It doesn't matter." They drop that. So, it ends up being \$15 million. And then, it's down to: What does he owe? They said 9.5. And I got it down to \$6 million - which I'm good for. So, what ends up happening is they've charged me with all these things and she's like, "Okay, you can plead guilty and you can go with the sentencing guidelines - which is going to be like..." She's like, "It depends." She said, "It might be - whatever - 54 years." She goes, "But if they run them concurrent or consecutive - depending on which one they do..." She said, "Most likely it ends up being 30 years." It's no good. That's not good. So, we go back and forth - back and forth - and try and figure out what I'm looking at. Now, as we go through the whole thing, she knocks off a bunch of stuff that they're saying I did - enhancements - because you'll have a base level of - let's say, a level 8. That should be maybe a few years. But then, they start adding on enhancements. What did he do? was it sophisticated? Yes. Okay, 3 levels for sophisticated means. Were there more than - how many victims were there? More than 50 victims? Yes. Okay, that's 6 more levels. Okay, did he change the jurisdiction to evade detection? Yes. That's 4 more levels. Okay, did he - they start adding - boom, boom. And when you start adding up all those levels, plus your criminal

history - and I have a big criminal history because I was already on federal probation and I committed a new crime on federal probation - so, that was another enhancement. And this case, you know - so I'm in a category - I'm in like a category 2 or 3. So, they come back and they're saying - I forget - "It's like 20..." Well, they don't come back right away. But she ends up saying, "You're probably looking at 14 years." Okay, that's reasonable. That's reasonable. And so when we get the PSI back, we eventually get what's called a pre-sentence report. They're saying 26 years. Well, they really said 32 years and I argued and we got it down to 26 years and 4 months. That's what it is. It's 316 months. That's how they do it - in months - because it doesn't sting that much, I guess - if you say months.

**Lex Fridman**

Yeah.

**Matthew Cox**

So she says to me - Millie sits down with me - and she says, "Listen, you got to cooperate." And I was like, "Okay." And she said, "Because you're guilty. You're extremely guilty." She's like, "You can't go to trial." And she said, "So, you need to cooperate." I was like, "Well, what do I get if I cooperate?" And she's, "The way it works is you cooperate and you hope for the best." And I was like, "Are you serious?" She goes, "You tell them everything and you hope for the best." And she's like, "Part of the problem is..." She said, "Everybody in Tampa's cooperated. Rebecca has cooperated. Everyone across the board has cooperated." She goes, "There's nobody that hasn't cooperated."

**Lex Fridman**

By the way, when you say "cooperate", you mean they told - a.k.a. snitched.

**Matthew Cox**

Yeah, right. They came in. They sat down with their lawyer and they said, "This is what he did. He did this, he did that." They showed them documents. "Yes, yes, yes. That's my signature. I didn't know what that was." Everything was my fault. They didn't do anything. It was all me. So, they've all cooperated and they haven't been charged. They've been indicted. They're all named as unnamed co-conspirators on my indictment. So, I've got 12 people - even though, there's probably like 20 people that are involved. But there's like 12 of them that are - so, I've got all these names: K.B., D.L., C.Y. - you know. It's like - I know who that is. I know who D.W. - that's Dave Walker. I know who these people are. And so, there's just a list of them. There's like 12 of them plus me. So - and some - some of them walked in and said, "I'm guilty. I just want to plead guilty." The - the girl, Allison -

**Lex Fridman**

Mmhmm.

**Matthew Cox**

She walked in and said, "I'm tired of waiting for you to come get me." Walked in with her lawyer and said, "I just want to plead guilty." And they sentenced her and she went to jail. She got 36 months or 30 months. She called the prison that - that - she went to the low-security - it was a female prison at the time - female camp - called the camp and asked if she could come by for a tour - before she went. And they went, "Excuse me?" She said, "Well, I'm going to be there for about 2 years, so I'd like to come in. Is there a tour I can take? Because I'd like to know where I'm going and what it's going to be like - how I should prepare." And they just started laughing. They said, "There's no tour, sweetie. We'll give you the tour when you get here." Hahaha. You got to love that, she -

**Lex Fridman**

Yeah. I mean -

**Matthew Cox**

I thought I wasn't prepared. There's no tour. So, Becky - Becky got 70 months. But when I got caught and when I was sentenced, they reduced it to 30 - or no 40 - to 40 months. They reduced it -

**Lex Fridman**

Because she - quote - "cooperated".

**Matthew Cox**

"Cooperated".

**Lex Fridman**

That term, right.

**Matthew Cox**

Do you want to say snitch or ratted?

**Lex Fridman**

Well, there must be - "snitch" is too harsh of a word. But yeah, they ratted. I mean - you're saying - I don't know.

**Matthew Cox**

Well, we can get there. We'll get there.

**Lex Fridman**

Alright. Alright. So, where did the sentencing end up?



**Matthew Cox**

So, I should say first - on the "cooperation" subject -

**Lex Fridman**

Yeah.

**Matthew Cox**

My lawyer wanted me to cooperate. And by this point I realized like, "You don't have a choice" - you know? No, that's not true. I could have been a gangster.

**Lex Fridman**

Yeah?

**Matthew Cox**

I don't - and I -

**Lex Fridman**

What does it mean to be a gangster in this case?

**Matthew Cox**

Like a standup guy. I could have said, "I'll just take it. Give me 54 years. Go fuck yourself. I'm not going to snitch on nobody." And I know you look at me and you think, "tough guy". I'm not a tough guy at all. I'm not doing 50-some-odd years - like - I'm not doing it. I don't want to do 30 years.

**Lex Fridman**

Mmhmm.

**Matthew Cox**

You know, I was hoping for - you know - I knew it wasn't possible - but I would've satisfied for another slap on the hand like I got the first time. I really thought I deserved - honestly, when my lawyer asked me, "What do you really think you deserve?" And I thought, "I deserve 10 years. I deserve 10 years." But - so she said, "Look, they want to talk to you." So, the FBI - well, first the Secret Service flies in.

**Lex Fridman**

Mmhmm.

**Matthew Cox**

They come in and they interview me.

**Lex Fridman**

Who's more terrifying? FBI? Secret Service?

**Matthew Cox**

You know - the - the Secret Service was so overwhelmingly professional. The FBI - and really only one of the FBI agents that interviewed me - I don't know how he's an agent. I don't know. He was just ineffective - incompetent.

**Lex Fridman**

Oh. Oh, so it's a competence issue.

**Matthew Cox**

The other one was Candace.

**Lex Fridman**

Oh, you met her eventually.

**Matthew Cox**

Of course I did. Of course. She's -

**Lex Fridman**

What was her opening line?

**Matthew Cox**

- 5'11", wearing 3" heels. She's a giant and in impeccable shape - attractive. One of the angriest human beings I've ever met. And every FBI agent that I've met since then that knows her - and I mention - they all say, "Oh, what'd you think of her?" And I'm like, "What? Why?"

**Lex Fridman**

Amazing.

**Matthew Cox**

They go - and I was like, "Kind of aggressive." They go, "Yeah, yeah. Yeah, she's a bulldog." All of them are like, "Yeah, yeah. She's - she's something else."

**Lex Fridman**

Secret services is a little bit more - like - professional.

**Matthew Cox**

Very - personally, very - you know - it's their job. It's like, "Hey, this is just my job." They're polite - professional - you know. That's it. So, it's just - "This is just - this is my 9-to-5." So -

but they - they - they come and fly in and they meet with me for 3-4 days. One of the - one of the funny things is that when I first - first sat down with him, one guy's name was Dan Brosanskowski or something. So he sits down and he says, "Look, before we get started, we need to talk about something." And I said, "What?" He said, "We know you've hidden money, and we..." And I was like, "What?" And he goes, "We know you've got money hidden." I said, "I don't have any money hidden. What are you talking about?" And my lawyer's like, "Do we need to talk?" I'm like, "No, no, no, no. I don't have nothing. I gave you everything. I gave you all the accounts. You got everything." And he's like, "You're looking at an obstruction charge at this point." I was like, "I don't have anything." And he says, "We know you have money. We know you have money in different identity's names." And I go, "What are you talking about?" And he pulls out a bank statement and he slaps it on the counter. And he goes, "You've got money in Southern Exchange Bank. You've got \$190,000 in Southern Exchange Bank." And I look at it and I went - it was in the name Walter Holcomb - and I went, "Did you call the bank?" He says, "Yeah, we called the bank." I went, "Okay. Did anybody call you back?" And he said, "Well, no. We've left several messages." I said, "Did you go to the bank website?" He goes, "Yeah, I went to the website." I said, "What'd you think?" And he went, "What do you mean? It was bank website." I said, "Yeah, but it was professional, right? It was a professional website." And he goes, "It's a bank website!" And I go, "Yeah, but it was well done." And he goes, "Oh god." And I go, "Yeah, convincing." And I went - I go, "It's all an illusion." And I said, "The bank doesn't exist. It's a fake bank. I made the bank. Made it when I was in - not even in Tampa, I think. I'd gotten to Nashville when I made it - not even in Tampa. I think I got into Nashville when I made it and I was like, "Yeah, it's an - the bank statements..." He's like, "They're the color of bank statements." I'm like, "Yeah, well, no shit." I said, "As a matter of fact..." I said, "Who did you leave a - I haven't paid for this service in months." And he turned around and he called it and it went - you know [disconnected tone impression]. It was disconnected. And I was like, "How do you not know that's a bank?" Well, it turns out there was a Southern Exchange Bank and I'd used their bank routing number. I mean - I always thought that was funny - that it was like - well, I remember - really for a split second there - I was really embarrassed that they caught me. I was like, "Can't believe this. You're the Secret Service." Anyway, I talked to them. As far as the Secret Service is concerned, there's just not much I can tell them. It was me. Becky's already told them everything. Amanda's already told them everything. It's not hard to track. When they raided my house, they've got boxes and boxes. So, it's laid out. It took forever. I still went through everything. I explained how I got the driver's licenses - how I made the bank statements - how I made the birth certificates - the whole social engineering of figuring out what these little loopholes are. It's like 7 days total with these guys.

### **Lex Fridman**

You mean - like question?

**Matthew Cox**

Yeah, it was like they question me for all day and then, they'd take me back to the Marshals holdover. And then the next morning, I wake up and they chain me up again and bring me back.

**Lex Fridman**

What's that like? What's that process of questioning like? I mean - you're somebody who is exceptionally good at conversation - charismatic - was part of the games you played. Are they good at conversation?

**Matthew Cox**

I mean - the problem is they're not there to shoot the shit. You see what I'm saying? They have an agenda.

**Lex Fridman**

But they have to use their words to get information out of you. Aren't they trying to manipulate you?

**Matthew Cox**

I'm not - I'm not holding anything back.

**Lex Fridman**

Okay.

**Matthew Cox**

It's not like, "I'm sparing Jim." Trust me. Jim's got to go. I mean - you're looking at 20 some odd years, but Jim can do 5. Bill can do some. Tom can do 6. I don't even like Jerry. Jerry can do 20. So, I'm ready to cut everybody's throat.

**Lex Fridman**

But you not guaranteed that you're getting anything for that.

**Matthew Cox**

Right. In all my time, I've seen one time where an inmate got a guarantee to have his sentence reduced, and it was signed by the head of the FBI. Was Robert Mueller gave it to him, to have a conversation with him. That's the only time I've ever seen that document.

**Lex Fridman**

Okay, so a lot of days with both the Secret Service and the FBI.

**Matthew Cox**

So FBI, Candice was irritated, didn't like me. And I remember when she took the cuffs off, I was rubbing my wrist. She goes, "Your wrists hurt?" And I go, "Yeah." And she goes, "Get used to it." I mean, she was just an asshole, just all around. Not that she didn't have a right to be, but everybody else was professional.

**Lex Fridman**

Oh, Candice.

**Matthew Cox**

We talked for 3 or 4 days with the FBI and they asked a ton of questions. They brought documents. So it's like, "Hey, who signed this?" It's like, "Oh, that's not my signature. That's so-and-so's signature," or, "I signed that. I signed that. I signed that. That's so-and-so." "Where'd this check go? Who is this?" "Oh, that's so-and-so." You're looking over everything. One of the things they wanted to know about was, which I never talked about because it seemed so minor, is I bribed the politician. We got him elected to city council so he could vote to get the lots. We bought a hundred vacant lots in Ybor City. They were all single family, we wanted them zoned multifamily. And so we bribed him and got him elected all -

**Lex Fridman**

That doesn't seem minor.

**Matthew Cox**

It's not as sexy as the rest of the stuff.

**Lex Fridman**

That's pretty - I mean - buying -

**Matthew Cox**

That's a whole 'nother thing.

**Lex Fridman**

Yeah, alright.

**Matthew Cox**

What happened is when they got all of the bank accounts, they see all these checks going to Kevin White, and so they're like, "Why did James Red donate \$500 to Kevin White? Why did Brandon Green donate? Why did Alan Duncan donate? Why did..." So, I had to explain to them, "Oh yeah. Well, we wanted him to be city councilman, so we gave him a bunch of money so he could run the ad - so he could get elected - so he could then get all of our stuff." But because he never did, I took off on the run before he was able to do that. And

then, not too - too long after that - he ended up - about 5-6 years later - he ended up getting indicted for bribery - but not mine - on somebody else's case.

**Lex Fridman**

Can I take a small tangent here and ask how many politicians do you think commit crimes? Are a little bit or a lot criminals?

**Matthew Cox**

I mean - I think there's some ways that are - they're seemingly legal.

**Lex Fridman**

The aforementioned gray area.

**Matthew Cox**

Well, that's not gray. This guy was, at one point I couldn't find anybody to write \$500 checks anymore so I just gave him cash. I'm just handing him \$7-8,000 - \$10,000 - in cash. But I think most of them have legal ways to make ungodly amounts of money for influence. But is it legal? No, they're politicians. They've made it so that it's not illegal. If you really sat down and explained it to someone, the average person would say, "That's not right." Oh, no, no, that's legal.

**Lex Fridman**

Okay. So at the end of these few days, what was the sentencing like?

**Matthew Cox**

Yeah, I go to sentencing. I get my PSI back and it's 32 years to life. So we argue about it with the prosecutor just before sentencing, and they get it down to 26 years, 4 months. Then Millie says, "Listen, don't worry." Because I'm trying to backpedal at this point. I'm like, "I might as well go to trial. If I lost at trial I couldn't get more than 30." Well, more than 32 years. Because you can't get life. 32 was the max. It's just a mistake he said 32 years to life, you can't get life. So it was like, the most I can get is 32 years. So I was like, "I'll go to trial. Might as well go to trial and see if I can get them to reduce some of these enhancements." She insists that she can get the enhancements knocked down and if you actually read the enhancements, some of the enhancements, they didn't apply to me. So she goes, and I believed her, and I think she made a valid argument. We go to sentencing. My mom's there, she's crying. My dad's there, he's looking at me like he's disgusted. And crowd, there's a whole bunch of reporters, the whole place is packed. And I plead guilty. Millie gets up, my lawyer gets up and she argues these enhancements. And every single time the judge is like, "I disagree. Overruled." And it's like, boom - 5 more years. Bam - 6 more years. Bam. Because if she had won the enhancement she argued I would've got 14 years. Now, keep in mind too, a month or two prior to this, the US attorney had called Millie and said, "Look, Dateline..." Dateline had already come out, by the way. Remember I was worried about

Dateline coming out? Well, it had come out, but they wanted to do a follow-up because it came out like a month or two after I got arrested. And they were saying, "Hey, we want to recut it with interviews with him." Well, Gail McKenzie, that's the US attorney, she wants me to do that. And she says, "I'll consider that substantial assistance." Now, when you cooperate with the government, they consider it substantial assistance, that's what they call it. So I cooperate with you, it's substantial assistance. She says, "If he's interviewed by Dateline, we'll consider it substantial assistance." And Millie says, "You have to do it."

**Lex Fridman**

By the way, what's the idea behind that? That you serve as a warning for others or something like that?

**Matthew Cox**

Yeah, exactly. Because you become a cautionary tale, like, "Don't let this happen to you." So, I go and I'm interviewed by Dateline - Keith Morris or whatever his name is - that guy. "Mr. Cox was..." That guy - so, he comes and he interviews me. Becky's interviewed. I'm interviewed. Amanda's interviewed. Allison is interviewed - everybody. The Secret Service agent - I think is interviewed - everybody. Prosecutor's interviewed. It's funny, at the time - when I watched it - I was like, "That's not true, and that's not true, and that, and..." And honestly, it's like 99% true. Looking back on it, I'm like, "My Audi TT wasn't blue. It was silver." It's just stupid. But anyway, so I'm interviewed by them and they recut it and they air the video. So, you said this was substantial assistance. And then the other thing is, I was interviewed by the FBI and the Secret Service. Now my lawyer calls the prosecutor the night before sentencing and says, "Look, he was interviewed by Dateline and he was interviewed by the Secret Service and the FBI. And if you do that, you said you'd reduce his sentence. You'd consider it substantial assistance and you would reduce his sentence. What are you going to ask for his sentence to be tomorrow at sentencing?" And she said, "We did consider it substantial assistance and it's just not enough." "What do you mean?" "Nobody was arrested." "Yes, but what about Dateline?" "Millie, I don't know what to tell you. It just wasn't enough."

**Lex Fridman**

We considered it?

**Matthew Cox**

"We considered it. We will consider it." And they did consider it.

**Lex Fridman**

Oh, man.

**Matthew Cox**

Yeah, the meaning of words is so important.

**Lex Fridman**

I'm going to use that at some point.

**Matthew Cox**

I'll consider it.

**Lex Fridman**

I will consider it. I'll consider it. I considered it -

**Matthew Cox**

It's not.

**Lex Fridman**

- and still feel the same.

**Matthew Cox**

So, she calls me. I'm crushed. And she's like, "But look, they're still investigating. They're going to make these arrests." And so when you get a sentence reduction at sentencing, it's called a 5K1. When you get a sentence reduction after sentencing, it's called a Rule 35. So she said, "We'll file a Rule 35 as soon as the arrests are made." Okay, so I go to sentencing and Millie says, "You're going to get 14 years. I'm going to argue these enhancements." She argues the enhancements. She loses the enhancements. Not that she's not an amazing attorney. She's an amazing attorney. The judge wanted to hammer me. He hammered me. Millie was a great attorney. She was always polite to me. And by the way, to this day, will answer my phone call. Most public defenders, you call them now, you call them after your sentence, they don't answer your call. Great person.

**Lex Fridman**

Thank you, Millie.

**Matthew Cox**

I didn't give her anything to work with. It's like I'm a little overwhelmingly guilty. It's like there's no defense. So I end up getting sentenced 26 years.

**Lex Fridman**

That's a lot of years.

**Matthew Cox**

I would like to tell you that when they gave me the time, that I was stoic and I stood there and I took it in. But the truth is, I cried like a baby, like a small child. You've never seen anyone cry like this in your life. I was just, How did I get 26? What did I do to get 26 years like murderers, rapists? I've met guys that kidnapped guys that got 15.



**Lex Fridman**

26.

**Matthew Cox**

So, yeah. I -

**Lex Fridman**

Were you scared?

**Matthew Cox**

I mean, does a pope wear a funny hat? Of course I was scared, I was terrified. But I kept telling myself, "They're going to reduce the sentence. They'll reduce it, they'll reduce it, they'll reduce it. Okay, okay. It's going to be okay. It's going to be okay." But it wasn't okay. I got moved to Coleman, the Coleman Complex in Coleman, Florida, the Federal Correctional Coleman Complex in Coleman, Florida, which is the largest federal complex in the nation. At that time, there was a camp, which was a female camp. There was a low-security prison for men, a medium security prison, and two penitentiaries. So I get moved to the medium. Now I'm moved to the medium, not because - that's where real criminals go, right? I'm a soft, white boy. I'm no danger to anybody. I hurt someone's feelings once, but other than that, I'm not going to be a problem. But if you have more than 20 years to serve, you have to go to a medium. So even though my security level said this guy should be in a camp, I had 20 years. You can't go to a camp until you have less than 10. So as soon as I am given 26 years - they knock off 3 - but you still have 3 years to get below 20, so they go to the medium. So I go to the medium and there are guys getting stabbed. The very first day, people are being stabbed. I get locked into - go to my cell - meet my cellie. They scream lockdown. Somebody got stabbed in the rec yard. I remember I asked my cellie, which I'd met 20 minutes earlier, He's like, "Hey, we've got to get in the cell." I was like, "What's going on?" "Somebody got stabbed in the yard." And I go, "Somebody just got killed." And he goes, "Nah, they just stabbed him up a little bit." And I thought, "Oh my God, you're in a place where they say stabbed him up a little bit. You're not prepared for this, bro. You got to get out of here." Anyway, I go to the medium. I'm there.

**Lex Fridman**

What was the first day and night?

**Matthew Cox**

Remember, I already had been locked up in the county. They're county jails where they call them, they're US Marshal, they're holdovers, but they're really county jails. They just keep you with the federal guys. So I'm not mixed in with hobos and people like that. I'm mixed in with the federal people.

**Lex Fridman**

It's already felt like a prison?

**Matthew Cox**

Yeah, it's a prison. I mean, it's jail, but it's a prison. Unless you've been locked up, you don't really know the difference. So it's a jail. Jails suck. Jails are much worse. The whole time I was locked up in the jails, waiting to be sentenced. Guys were like, "I just want to get sentenced and go to prison, bro." And I was like, "Why does everybody keep saying that? Prison's worse than this. I saw Shawshank. It's horrible." And they're like, "Bro, prison? Listen, prison I can walk the rec yard. I could go to the movie room, watch movies. Listen, right after count..." There's a 4 o'clock count. They count everybody at 4:00. So they are like, "Right after count, I'm going to go to commissary. Somebody's going to buy me an ice cream. I'm going to be eating an ice cream, walking on the rec yard the first day." And it's been months and months and months that I've been locked up in this county jail, and I'm thinking, "I want to go to prison. That sounds nice. I'd like an ice cream."

**Lex Fridman**

But there was a stabbing on the first day, so -

**Matthew Cox**

Yeah. Well, everybody kept telling me I was going to go to a camp. You're going to go to a camp, you're going to go to a low.

**Lex Fridman**

I see.

**Matthew Cox**

And honestly, very quickly, I was walking on the rec yard, I was - so, I was at the medium. I got there. It's a real prison with the doors, bam. And they can open the little tray thing and feed you out of the tray, and there's a stainless steel toilet and sink. And they have that in the county too, but it's exactly what you think of prison as being.

**Lex Fridman**

But it feels like a fundamentally different experience when it's 26 years and the door locks, and -

**Matthew Cox**

Yeah. So yeah, I have a cellie, but I'm also, is they sent me to a prison where tons of guys have 30, 40, 50 years, life sentences. There's gangsters there, there's murderers, there's serial killers, there's really bad guys. There's guys that are trying to take advantage of guys, right?

**Lex Fridman**

You mean like sexually?

**Matthew Cox**

Yeah. But by the time I got there, I'd heard all the - how you can get yourself in trouble. Don't go in somebody else's cell. You don't know the guy? You're not 100% sure? Do not go in his cell. Don't even go near a cell. Don't go into places where people can close a door behind you or they can trap you in an area. There's all these things that I've been told not to do.

**Lex Fridman**

Again, for sexual reasons.

**Matthew Cox**

Right, because I'm a small guy in prison.

**Lex Fridman**

Yeah, attractive white dude.

**Matthew Cox**

Yeah, it's a problem. It's a problem. This, it's bad. It's all bad.

**Lex Fridman**

Well, it's good in the outside world, but bad in prison.

**Matthew Cox**

Yeah. My fear was they're going to make me shave my head to make sure that the mop wig fits correctly. But there's certain things that - I always hate to say this, and this is the simplest way to say it, is that if you get stabbed in prison, you had it coming. You did something. They're not running around just stabbing people, you did something. And the things that get you hurt is you argue over the TV, what channel you want to watch. You got 50, 80 guys watching one TV, don't argue about it. It's not worth it. Borrowing things and not returning them, that's a problem. Running up debts, that's a big problem. Gambling, gossiping, those are the problems. Those things get you hurt. Not being polite, be respectful. I'm super respectful. So I was respectful. Very quickly when I got to Coleman - there are continuing education courses. One of the courses is residential real estate. The guy that was running the residential real estate didn't want to do it anymore because he was doing legal work and it just was taking too much time. So he came to me and said, "Listen, you just got here. You got a real estate background like nobody else does. Can you take over this class?" And I was like, "Sure." So I looked at his curriculum, I rewrote it a little bit, and I started teaching a residential real estate class. And at one point I was teaching two classes a semester or a quarter. And these guys loved it. They all think they're going to get out and flip houses. So I started from the fundamentals. I talk about credit, how to borrow, hard

money lenders, different types of - everything. It's the first time in my life, this was funny. Not that I think I was really ever in a position for this to happen. This is really odd though. Probably the second or third class when guys are leaving and I'm having to check them off the roll, multiple guys are stopping and saying, "Yo, bro," putting their hand out and shaking my hand and going, "Good class. It was a good class, bro." Then I have guys coming to me, telling me, "Hey, what are you teaching these guys?" I go, "What do you mean?" He goes, "My cellie's telling me he's going to get out and make millions. 'I'm taking Cox's real estate class. I'm telling you I can do this. I'm going to be a millionaire.'" And it's like this flipping houses - this is not - but the truth is, flipping houses was - what I basically told these guys - especially the drug dealers, right? You're a drug dealer and you were raised in the projects and you're going back to the projects. This is the one industry that you will thrive at because you're a hustler. You're not afraid. A 45-year-old, divorced, white woman is not going into the hood knocking on doors to try and flip houses, but you will. And you know everybody in the neighborhood, and you'll knock on those doors, and you'll hustle. And you've been told no before and you don't care and you're not scared, you're not - and there's tons of money to be made in lower income areas. And then when I go through the whole thing and how you can leverage your credit to borrow money to get into the property and do the renovations with very little money down, and I do the whole thing, these guys, they loved it. And what that did for me was two things. One, if you got to the class, 40 guys show up for the class. And I say, "Look, if you don't want to go, you don't want to be here, you just want it because your counselor's making you get a certificate. You don't want to be here, that's fine. Bring me two coffees and two creamers from commissary and I'll fill out all your paperwork and you'll pass. You'll get a certificate. I don't have to see you again." I have full of coffee and creamer because at least 10 or 15 didn't want to be there. The other guys seriously wanted to be there. And I don't want those guys to be there anyway, they're going to be a problem. So the other guys are serious about it, and some of these guys sat through the class two, three, four times. Some of these guys got out and sent me money, which is a huge sign of respect, by the way. Because they don't owe me anything. But I did that and I taught GED because you have to do something for money. And I met a bunch of cool guys and I was hanging out and I was doing well. And after about 3 years, they transferred me to the low-security prison. At this point the FBI starts showing up, asking me questions. They asked me questions about the politician I bribed, asked me questions about him. Statute of limitations was up and they were trying to tie him into the bank fraud. Because his name was Kevin White, and one of my guys' name was Michael Kevin White, and so they were trying to tie him in. "Did he know about it? Because if he knew about it, statute of limitations is 10 years. We could..." "No, he didn't know." Should've thrown him in there. Because a couple a years later, he gets indicted. He ends up going to jail anyway.

### **Lex Fridman**

And it could've decreased your sentence.

**Matthew Cox**

Yeah. Listen, listen, stop. Stop. Oh my God.

**Lex Fridman**

I got all my judgment out after the homeless conversation.

**Matthew Cox**

Listen, it's only going to get worse.

**Lex Fridman**

I mean, I really appreciate your honesty and your insight about snitching, honestly, that I have a sense that there's at least a desire for loyalty in the world.

**Matthew Cox**

Wouldn't that be nice?

**Lex Fridman**

Did you ever feel in danger in medium or low?

**Matthew Cox**

Is funny, I had more problems probably at the low than I did the medium. But at the medium, the only thing that happened was an article came out in the newspaper when I was at the medium. It came out and said - because they're still investigating things. So, this article comes out and I'm on the front page of the St. Petersburg Times. It was about the politician - big article. And in the article, they interviewed Millie - my lawyer. And she says, "Well, when Mr. Cox was being interviewed by the FBI, one of the first things they wanted to know about was this politician." So she just said, "Mr. Cox was being interviewed by the FBI." So, I immediately get taken into custody and they put me in the shoe - the hole - for my own protection - and I'm there for like 45 days. Then after 45 days, they're like, "Cox, what do you want us to do? You want us to ship you?" I was like, "No, put me back on the compound." I'm like, "Half the guys here cooperated." And he goes, "Yeah, it's more than half." He said, "But this is the guy from SIS" - which is their internal security.

**Lex Fridman**

So, that's when he told you that it's actually a much higher percentage, but -

**Matthew Cox**

Right, he said, "But a hundred percent of them are lying about it." He said, "You just came out in the newspaper." I go, "Man, I'm not concerned." "If you are concerned, you got to come immediately to the lieutenant's office and tell us, we'll ship you." I said, "Okay." I get out there, people are looking at me and, "What's up?" But I don't have a lot of friends anyway. I don't come there to make friends. So at one point, this one guy comes to me. I'm walking the

yard probably 2 days later. After I get back on the compound, I'm walking. Guy comes to me. He has a goatee and it comes down here. And he's got a little skull thing he had made - whittled out of wood or something - and definitely looks scary. So, I'm walking and he stopped. He goes, "Hey, Cox." I've never talked to these guys. I had been there for a year or so and never talked to any of these guys. They're all like bikers and Aryan Brotherhood. And so I'm like, "Yeah, what's up?" He said, "Bubba." Bubba's their leader. He goes, "Bubba told me to tell you not to walk the yard. He don't want to see you out in the yard." And I went, "Okay." I said, "Well, I'm going to walk the yard tonight." I said, "And if I get the shit kicked out of me, then I get the shit kicked out of me, but..."

**Lex Fridman**

But did you talk back to a guy with a wooden skull hanging off his beard?

**Matthew Cox**

I did, but you know what? It was right in front of the guard shack, and so there was guards in the guard shack. They're 20 feet away.

**Lex Fridman**

Really, you weren't scared?

**Matthew Cox**

I mean, I think I just got numb. I'm not stupid, but I'm walking around. I was scared from the moment I got there, on, if that makes sense. So you get to a point where you're just numb and you're waiting for it. Especially when I got out of the shoe. Got out of the shoe, I went straight to my cell, laid down. Couple of minutes later it was lockdown, they closed the doors. I wake up the next morning, I go to chow, I go to my job, it starts all over again. So I had a very packed routine. Although there's guys everywhere, and I'm thinking at some point I might just be walking around, a guy might walk up and just smash me in the head, but it didn't happen. And it's not that guys aren't getting stabbed, but they've got it coming. I didn't tell on anybody here. I didn't do anything. It's not that on other yards I might not have gotten smashed, but I didn't get smashed. And I'd been there a while and I taught the real estate class, and everybody wanted to take real estate. So I think that insulated me to a degree. I also had made a few friends there, and I think they were probably also putting out the words like, "Bro, cut this guy a break." So I'm walking across and I tell the guy, I said, "Look man," and I wasn't rude to him. He wasn't even rude to me, really. He said, "Don't walk the yard anymore. Bubba doesn't want you walking the yard." I said, "Well, listen, I'm going to go to chow and then I'm going to go out there tonight and walk the yard, and if I get smashed, I get smashed." I go, "Because I got 26 years and I cannot walk around for the next 26 years, not going on the yard." I said, "So I'm going to be there, and if that happens, then that happens." And he looked at me and he goes, "Man, I don't give a fuck what you do. That's what Bubba told me to tell you." He said, "I told you." And he goes, "I don't give a shit what you do," and he walked off. I went out there that night with a buddy of mine named Zach, a guy named John

Gordon, with my cousin and a couple of his buddies. We walked the track for about an hour. Bubba and a group of his guys stood there and looked at us, and as we walked, probably closest we got to them was 30 or 40 feet. That went on for 30 minutes and then they broke up and went their separate ways. There was a couple of times where I would go to the chow hall and I would go and I'd be sitting at a table and Bubba would walk up and tell the other guys at the table, "I want to let you guys know you're..." He didn't even call me a snitch. He said, "You're sitting with a cooperating witness." He said, "If that's how you want to roll," he said, "You ain't going to be rolling with us if there's any trouble." And then they all looked at me and they got their plate and they moved off. He didn't tell me to move. And he could've walked up and said, "This is a snitch motherfucker." He didn't do that. Bubba was very respectful. So - as respectful as you could be in that situation.

**Lex Fridman**

Whatever you want to say about Bubba, he was a respectful man. You ever talk to him directly?

**Matthew Cox**

Never had a conversation with him. So that went on, but I mean, when I say that went on, I mean literally that's a couple of times. He said the same thing to a guy in line one time. Guy came up to me later and said, "Look, man, I'm sorry, Matt." He was standing next to me in line. Bubba said something to him. He went like 10 or 15 people back and stood in line. Later on he came up to me, "Matt, I'm sorry bro, but blah, blah, blah." I said, "Bro." I said, "Look, I get it. We're not friends. Don't worry about it." And here's the thing. At some point there, I ended up getting - well, the FBI started showing up there at the - at the prison.

**Lex Fridman**

Mmhmm.

**Matthew Cox**

Questioning me about my files in - in Tampa. That - remember the 12 guys that were indicted?

**Lex Fridman**

Mmhmm.

**Matthew Cox**

They show up and they start asking me about it. And so, they're still - kinda - working it. Well, at the same time, I end up getting moved to the low-security prison. I get to low-security prison, they show up over and over again. But at some point they come to me and they say, "Look, we went to the US attorney. We presented everything we have. I have enough to indict all of these guys." I think it was whittled down to maybe eight instead of 12. And they said, "Look, the entire economy is melting down. At this point some of these are

4-5 years old. We've got banks that are melting down right now. We've got 100, 200, 300 million, 500, half a billion dollar banks that we're investigating. We don't have time to deal with this. We're not going to indict those people." So they get away. The agent I was working with, her name was Leslie Nelson, very nice person. She came - actually didn't have to do this - came to the prison to tell me this is what happened. And when she'd first come to see me, I told her, "Listen, I want to do all this, but no matter what happens, I need you to write me a letter. If they don't indict these people, I need you to write me a letter that I can present to the US attorney on my behalf, that I did everything I could." And she goes, "I'll do that. That's not going to happen. We're going to get the indictments and everything." I was, "Okay." So of course, a year later, she shows up after nothing happens and they've dropped the case. She shows up and she tells me what happened, and he's not going to do it. And I go, "Do you remember that you..." She goes, "I got the letter right now." Gave me the letter. She was like, "That's it." Great letter. It says, "Mr. Cox has worked, blah, blah, blah. He's done this, this, this," great. And even said, "He deserves a reduction in my opinion, blah, blah, blah." But nobody was arrested. So I call my public defender, I call Millie, I explain it to her, and she starts crying and she's sorry. And, "Well, what are we going to do?" "Well, there's nothing you can do. You're time barred." You have 1 year to file a 2255, which is to say that your lawyer is ineffective or that the court has made a mistake in some way. And it had been over a year, it had been years. It'd been like 4 years. And she's like, "Yeah, I mean, there's nothing you can do." And she's in tears, and I feel like I'm done. At that point I'm done. And what I do is I start writing a book. I write my memoir. And this is not a shameless plug for my memoir, by the way, which is amazing. Just saying. But so what happens is I actually write it. I write it, and then I have to rewrite it because I don't really know what I'm doing. And I've been reading true crime and that sort of thing. And I've always liked true crime. I get a literary agent, comes to see me, tells me I have to rewrite some stuff. We rewrite it. As I'm finishing up my memoir, there's a guy that comes on the compound. And his name is Efraim Diveroli. Efraim Diveroli and his business partner - a guy named David Packouz - were selling munitions, AK-47 rounds - selling munitions, AK-47 rounds - really tons of munitions. But they got in trouble with this and they were selling them to the US government for the Afghani Security forces. And there had been an article in Rolling Stone Magazine about him. And I'd read it and somebody points them out and says, "Hey, that's that guy." And I went up to him. I said, "Hey, bro. You just got here?" He's like, "Yeah." And I said, "Look, if you want to write a memoir or anything, I'm finishing my memoir. I can always help you. I can help write an outline. You can get a professional writer - whatever you need help." He's like, "Yeah, alright." Efraim Diveroli was played by Jonah Hill in the movie "War Dogs". So a few months later, he comes to me and says, "Hey, they sold the movie rights." I was like, "Oh wow. That's great." And I'm like, "You don't want to write a memoir?" And he's like, "Yeah, man. It was sold to the guys from the 'Hangover' movie." And I was like, "So, the guys from the 'Hangover' movie are going to make a movie about you?" I said, "You understand. They're going to call it like, 'Dude, Where's My Hand Grenade?' and you're going to be Spicoli from 'Fast Times at Ridgemont High'. You're going to be a joke - all because you don't want to write a memoir and get your version out there." And he was like, "Holy shit". So, I ended up writing an outline



for him. We worked together and then he asked that, "Can I read your book?" And I was like, "Sure." And I give it to him, and he reads it, and he comes back and he said, "Bro, this is the best thing I've ever read in my life." And to be honest, I later found out he'd read about 3 books in his entire life. But still, it was very - it was nice.

**Lex Fridman**

Yeah. Yeah - still beat out the other two.

**Matthew Cox**

So, he asked me if I'll write his book, I write his book. We work out a deal and we do that. And I'm saying all this because I basically settle in. I'm done. I'm going to do 26 years.

**Lex Fridman**

By the way, just on a small tangent, how did you know you'd be good at writing?

**Matthew Cox**

I had written a manuscript prior to even taking off on the run, I used to listen to John Grisham books. I would listen to him in the car. I liked John Grisham books, and I'd actually written a manuscript about a mortgage broker. He writes about lawyers, and it's like, Laurie, being a lawyer is not exciting. If you can make that sound exciting, I can make being a mortgage broker. And I wrote a book, put it at my desk, and the FBI found it and they had said, "Oh, it's a blueprint to the fraud that he's going to commit." It wasn't, stop. That character was as much me as John Grisham's characters are him.

**Lex Fridman**

But it's still interesting that John Grisham didn't -

**Matthew Cox**

Right. I mean - if John Grisham did something similar to what one of the -

**Lex Fridman**

Yeah, I saw a quote somewhere that the criminal is a true artist and the detective is merely a critic. Something like that. Does that resonate with you or not?

**Matthew Cox**

I'll have to look that up.

**Lex Fridman**

Okay, so you already knew you could write?

**Matthew Cox**

Well, I knew I liked it, but yeah, I think I got better and better at it. I mean, as you're writing - and they had creative writing classes in prison at the Lowe. The Lowe was a much different breed of animal. You could very easily get hurt, you could get hurt either place, but there were guys that have life sentences that have been working out for 20 years and were just super angry at the medium. And if you got hurt at the medium, it was probably really go bad, as opposed to you get hurt at the Lowe, it's more like a fistfight in high school, with knives. So anyway, so I am there. I'm writing, I'm doing that. And there was a guy on the compound that came on the compound about that same time. His name was Frank Amadeo. Frank Amadeo is a rapid-cycling bipolar with features of schizophrenia.

**Lex Fridman**

Rapid-cycling, bipolar with features of schizophrenia.

**Matthew Cox**

It's just constant, right? And so, there are moments in his manic state where his reoccurring psychosis - I guess - is - that he believes - and since he was in his early teens - has believed that he's preordained by God to be emperor of the world. He's a lawyer - disbarred - stole close to \$200 million from the federal government. They gave him 22 years and they sent him to Coleman, but it doesn't - this is the part I love. The delusions don't affect his legal work. It doesn't say a ton for legal community, but -

**Lex Fridman**

How do you know he's delusional? I'm just asking questions.

**Matthew Cox**

Yeah, he's trust me. I mean, it's not me. It's like the transcripts, the lawyers, the doctors. There's a ton of ton. And then if you saw him in action, you'd be like, "Oh, wow." He would be completely normal. He would be having a completely normal conversation and somebody would say something and he'd go, "That makes me so angry. I am not going to let them do that. When my legions march on Washington, we are going to burn the constitution and the president will kneel at my feet." And he goes, "I'm going to need your transcripts. I'm going to need a 2255 form. We're going to file a..." And everybody would sit there and be like, "Okay, Frank, I'll get to this and I'll get..." It was insane. It was the most insane - he was basically running a medium-sized law firm from inside of the prison. He was training people. He taught the legal research class and was training people on how to do legal research in prison - how to put together motions - how to fight their cases - how to do the research - how to type them up - everything. It's like a law school. He's teaching these guys. Listen, they made such a mistake locking this guy up.

**Lex Fridman**

So, he's a great lawyer.

**Matthew Cox**

Listen, it's going to get worse. It's going to get worse. Because here's what happens - is at this point, I don't talk to him for probably a year or so because everybody's saying he's crazy. And for a year, he gets there - he's drooling out of the side of his mouth. They got him on a ton of medication. It takes him about a year to take him off the medication. So, he gets them to take him off the medication and then he starts stabilizing his mood by drinking Pepsi. I know. I know. It's crazy. I see you looking at me like this guy's delusional. I know. So at some point, one of my buddies comes to me and says, "Look, you got to go talk to Frank." Here's the other thing. Over the course of a year or two that he starts doing legal work for guys, he starts just taking on guys' cases. "I'll do the motion, I'll do your legal work, I'll do this." Keeps him busy. But suddenly you start hearing people get released. Jimmy just got 10 years knocked off his sentence. He's going to halfway house next month. Tom got an immediate release. Frank's walking people up to R&D, shaking their hands. Guys are walking up to him in tears, crying. And so crazy or not, what choice do I have? I called three different lawyers on the street and said, "This is what happened. What can I do? What can I do?" They told me to do this and this and this, and I worked with them, and then they decided not to proceed, and what can I do? And they said, "You're hit, bro. There's nothing you can do. In the 11th circuit, you cannot force them to file a reduction on your behalf. You cannot do it. It's impossible. You're hit. You're done. It's over. I'd love to take your money, Mr. Cox, but it's not going to happen. I'm not just going to take your money. You're going to lose." Three different lawyers. I talked to Irti's lawyer, told me, "Bro, it's not going to happen. It's over." So my buddy says, "Go talk to Frank." I said, "Well, why wouldn't I? I got nothing else to lose." So I go talk to Frank. He actually has a little manic moment, that little thing that I just showed you. That's exactly what he said the first time I talked to him.

**Lex Fridman**

Based on your case?

**Matthew Cox**

Yes, "I won't let this happen." He's like, "I'm going to need your transcripts. I'm going to need you to get this. I need to see your indictment. I'm going to need your percentage report. I'm going to need..." I was like, "Okay." And I turned to my buddy. He's like, "Bro, I know. I know what you're thinking. It's fine." It's fucking crazy. And he's like, "I understand. What choice do you have?" I was like Fuck. So Frank files a 2255 motion on my behalf stating that I'm not time-barred that Millie was - we file it against Millie, stating that she was ineffective, that she didn't understand the law. She had me plead to something. Because she thought I could get a reduction simply for doing Dateline. Oh, by the way, when I was in the medium, the government came to me and asked me to be interviewed by American Greed. I do that. I'm interviewed. And they get me on the phone, they talk to me, everything. The prosecutor wants me to do it. She's re-interviewed, everybody's re-interviewed. It airs. Millie goes to the government, says, "Look, reduce the sentence." They go, "No, Millie, it's not enough." Then they come to me and they ask me to write an ethics and fraud course. I write an ethics and

fraud course. The guy I write the course with that flies up to Atlanta. He talks with - I think he drove up, but he goes up to Atlanta. He talks with a US attorney - talks to Millie. She insists if he does this, I will reduce his sentence. I will definitely consider this - "definitely consider". And then, we do it. It's being used all over the nation - not enough. At this point, I go to Frank. I tell Frank what's happening. Frank says, "Yeah..." He goes, "Every time they asked you to do something. It reset the time bar. You have a year from that time to file a 2255." Now, he insists that that was a viable argument. Nobody else does. But he said, "I'm not going to let them do this. I'm going to take care of this. I'm going to get your sentence reduced." "Okay. Emperor. Okay, Emperor." So, he was a character. Anyway, so he files a 2255. The government comes back, they say, "He's time-barred." Frank comes back. They answer his motion. He files a retort. It just goes back and forth. This goes on for 6 months to a year. And at some point, I go to mail call and they call my name and they hand me this thing. And I open it up and it says the government's filed a motion for a stay so that they want the court to appoint me a lawyer and to discuss filing a Rule 35 - reducing my sentence. And I'm like - I read it, but I couldn't even understand. I don't understand. So, I mean - I rushed to go find Frank. I show it to Frank and he says, "Yeah, they're staying it. They're going to send you a lawyer and you're going to negotiate for how much they're going to reduce your sentence." He says, "It's perfect." So, they fly this woman down. Her name was Esther Panitch. She flies down - comes to the visitation room. They bring me there - the lawyer's room - whatever they call it. And so, we're sitting there and I remember - we're talking - and she says, "Listen, your motion - your 2255 - is written well. But honestly, you don't have much of a prayer and they're offering you a one-level reduction - which is 30 months." And I went, "Oh, that's not enough." And she said, "Well, I don't know what to tell you." She said, "They're willing to bring you back." And I was like, "Well..." I mean - I don't know. I go to talk to Frank. Frank said, "I deserve this many levels." And we're going back and forth. She says, "Who's Frank?" And I go, "Frank's the guy that's doing all my legal work." She goes, "He didn't write all this?" And I was like, "No." She goes, "Who wrote it?" And I explained it to her and she's like, "He's an inmate?" And I was like, "Yeah." And she says, "Why is he here?" And I tell her, "Well, he stole a bunch of money from the federal government because he's trying to take over the world." So, I tell her that whole thing. And she's like, "You're letting a mentally incompetent person do your legal work?" And I was like, "Yeah, because all the competent attorneys wouldn't do it. They said, 'I didn't have a prayer.' Your people said, 'I didn't have a prayer.'" And I said, "Frank said he could get this done." And she's like, "Well, I mean - I don't even know why they're offering you one-level." I was like, "Well, Frank said." And I'm like, "Frank this - Frank that." And so she - and I end up saying - she's like, "You're taking advice from a legally - an incompetent person." I said, "Yeah." She said, "You really don't have a prayer." I said, "Then why are you here?" I said, "If they could crush me so easily, why are you here?" I said, "They're giving me one-level. Let me talk to Frank. I'll let you know what we're going to do." So I leave. I call her a couple of days later, I tell her I talked to Frank. Frank said, "Go back. Go back and argue for more." He said, "I think the judge is going to give you more. He's going to give you at least between..." - whatever. He said, "6 or 7 levels or something." So I get moved all the way back to Atlanta. The FBI agent comes to talk on my

behalf - the guy - multiple people show up to talk on my behalf. They say - Millie, who I filed the 2255 against. So I'm basically saying, "You're ineffective, you're incompetent." But she knows the game. She's like, "I get it." She gets on the stand and testifies for me. So the judge goes, "Listen..." I think we were asking for 9 levels or something outrageous. Prosecutor starts arguing for one-level. And then he said, "Listen, one-level is not nearly enough for what Mr. Cox has done." He said, "Mr. Cox, I know you're arguing for 9 - 9 levels off your sentence." He goes, "That was never going to happen." I was like - it felt like I got slapped. He said, "3 levels. I'm going to go with 3 levels..." He goes, "...which is 7 years." Which he said, "For somebody who has no arrest associated with his case..." He said, "...I think it's pretty good." - and that's my - that's his judgment and - blah, blah, blah, blah, blah. And he hammered - put the - puts the gavel down, and walks off, and that's it. It's over, I get 7 years. I was hoping for more. So, I get moved back to Coleman. I get moved back to Coleman and I go up to Frank. And I said, "Frank, I got 7 years off." And he is like, "I know." I said, "And I don't mean to sound unappreciative." I said, "I was hoping for more." He goes, "I was too." He said, "It looks like we're going to have to eat this elephant one spoonful at a time." And he goes, "Something will come out. Something's going to happen." He said, "Keep your ears open. Something will happen." And I said, "Okay." And honestly, by that point, I'd done 8 years, and I remember if I got a year off for the drug program and good time and this, I had about 8 years left to go or something, 9 years left. And I was like, "I can do that. I'll write." I'd been writing. By that point, I'd actually written a story. I got a book deal for Deboroli, and I ended up writing a synopsis of a guy's story. And I got him in Rolling Stone Magazine. And I got a book deal for that. I got an advance. It was \$3,500 bucks for being in prison, a prisoner to get a \$3,500 in advance is like, "I'm a millionaire." That's a lot of money. And then we optioned the film rights. Basically the synopsis that I wrote for this reporter, journalist for Rolling Stone, he goes to Rolling Stone with what I wrote and gives it to them, and they okay it, they say, "Yeah, this is great. We want you to write an article based on this." He writes the article. He tells me that the article will be from his name Guy Lawson, Douglas Dodd, which is the name of the kid I wrote the memoir about, and Matthew Cox. A couple of weeks before the article is going to be published, he tells me Rolling Stone doesn't want my name on the article because I'm in federal prison and it doesn't look good, but don't worry, he's going to put my name in the article. And that's just as good. And I argue it's not just as good. It's not. I'm like, "I would be a writer for Rolling Stone Magazine. You understand, I'm trying to come up with something here that I can rebuild my life as a true crime writer. That's no good." And that wasn't so bad. That wasn't the worst. The worst of it was 90% of the article that he published was taken directly from what I sent him. I mean, sick to my stomach, bro, just sick over it. But they option the life rights for that. And I got a piece of that. So there's like \$7,000. I get a cheque for that. So, I'm thrilled I can keep writing. Because you have to understand, writing on the computer there they charge you. So I start - oh, they charge you for phone calls, writing - every single thing costs money. So I start writing all these guys' stories. I start writing books. I went back to Atlanta, got 7 years knocked off my sentence, come back, and I'm walking around the compound. Now, there was a guy that was there named Ron Wilson. Ron Wilson ran - if you look in the newspaper, it says it's like a \$100

million Ponzi scheme. But really it was \$57 million dollars. He had lost \$57 million. So it says a hundred. They always exaggerate. Because 57 is not enough. Ron ended up getting 19 and a half years. Ron was an old conman, early 60s - 62 - 61 - I don't know. And I liked Ron. So we're walking around the compound and he's like, "So what are you going to do? I mean, you eight or 9 more years to go?" And I was like, "Yeah, I'm going to keep writing and when I get out of here, maybe I'll have a huge body of work and maybe I'll be to sell it, or maybe I'll be able to option some more stuff. And if I could get together with Rolling Stone or get with some of these magazines, I could start writing for them and I could option those. Maybe I could walk out of here with something." "Right, right, right." So Ron was - who'd only been locked up like a year or so. He was cooperating, with the Secret Service in his case, against some of his co-defendants. So he's already been debriefed and he's cooperating. He's actually thinking he might get brought back to have to testify at a trial. We're talking and we're walking, and he keeps saying, "Even if they charge those guys, and even if this happens, they're not going to reduce my sentence. They're not going to cut my sentence." First of all, well, probably because you stole a bunch of money from pension funds and churches that didn't help your case. But I don't say that. So I say, "Oh, they have to, bro. They'll have to, if you cooperate, they're going to have to. And if they don't, we'll have Frank file a 2255." And he's like, "Ah, that crazy mother..." So he says, "Okay." He's like, "Yeah, yeah, you don't understand. You don't understand." So this goes on for months. And I'm like, "What is the problem?" And he says, "They think I hid Ponzi scheme money." And he'd actually dug up like five or six million dollars in Ponzi scheme proceeds that he dug. He buried in these - literally buried in aluminum ammunition canisters. Super interesting guy. So he actually went and dug them up and gave them to him. And I'm like, "Well, you gave them all the money. You didn't hide anything. Relax, it's not a big deal. They're not going to find anything, don't worry about it." And so he mentions it a couple of weeks later, a couple of weeks later, and then one day I go, "Bro, why do you keep bringing this up? What are you concerned about? It's not going to happen." And he said, "Can I trust you?" And I went, "Probably not." And he goes, "I did hide some money." I was like, "Okay." I said, "Did you bury it in a can somewhere?" And he's like, "No, I gave my wife \$150,000 in cash." I said, "Okay. Well, she's not going to say anything she's using it." He said, "No, you don't understand. Since then, she found out I was having an affair and we're going to get a divorce. And she hates me. And I think she'll turn that money in just to make sure that I don't get a reduction." Because if you lie to the FBI, they're not gonna - it doesn't matter what you've done for them. They won't give you anything. And so - I'm sorry - the Secret Service or - anyway, he has clearly lied to the Secret Service at this point. If she goes and says, "This is what he gave me." So, he's like - I was like, "Oh, wow." And he's like, "My brother's holding maybe \$30,000 for me." And at that moment I was like, "Wow, this poor guy." No, that's not what I thought at all. What I thought was, "Is that enough to get me a sentence reduction?" And I went and I sat there, and you know what I thought? I thought, "No." I thought, "That's not enough. That's not enough. It's nothing. That's not even \$200,000." And they didn't want to give me a reduction. My prosecutor was pissed that I got 7 years off. She wanted me to get 30 months. She's not going to give me anything. It's up to her. She's not going to do it. So I go, I lay down, I go to

bed. A month later, I'm on the phone with my lawyer. I had written, I remember wrote, I had a manuscript from my book, and I wanted to put some of the stuff that was said in my sentencing in the book. So I was trying to get my lawyer to mail me my transcripts, and she hadn't done it. So I called her and I said, "Listen, you said you were going to..." She's like, "Oh God, man, I'm so sorry. I'm so busy. I'll do it. I'll do it." And then she went, "This is Esther." She goes, "So, what else is going on in there?" And she never wanted to talk to me, when they were paying her, she didn't want to talk to me. And I was like, "What do you mean nothing? I just need my transcription." She's like, "Nothing's happening. There's nothing you want to talk about." And I was like, "And I went, you know what? There's something weird happened there. Listen to this." And I told her about Ron Wilson, and she goes, "Hold on." And she looks him up on the computer. She goes, "Oh wow. This is a bad guy. This is a bad guy. And he told you? Then you know where it is?" "Absolutely. And I can tell you exactly." And she goes, "Okay, okay, okay." She goes, "Let me look into this." I go, "Okay." So a week later, a CO comes to me and goes, "Hey, Cox." And I go, "What's up?" He goes, "Listen, at the next move..." - because they have controlled moves. All the doors are locked and they open them up for 10 minutes. So, you can run to the chow hall or you can run to the - you can't run though. They have no running on the compound, but you can walk fast to the rec yard or the library - whatever. He says, "The next move go to SIS." So I go to SIS on the next move. But I was used to going there, by the way, because I was constantly ordering Freedom of Information acts. And so, I'd order - you're an inmate and I'm writing a story for you. And I'd order it and they'd send it to me. And then they would catch it and they'd be like, "Why are you getting Lex's information?" So they'd call me down there and I go, "No, I ordered it for him and I'm writing a story, and I'd already been in Rolling Stone and everything." They're like, "What's the story?" And I tell him the story. The guy's like, "That's a pretty good story here." And so I go down there, but this is different. This is the guy answers the door and this guy, they call him Bulldog. He was a real asshole. He was a lieutenant at SIS. And he's like, "Get in here, Cox, sit down." And he dials the phone. He goes, "Here, you got to talk to this guy." And I'm like, "What?" And I pick up the phone, I'm like, "Hello?" And the guy goes, "Hey, this is Agent Griffin with the Secret Service. I understand you know where Ron Wilson has hidden Ponzi scheme money. I want something in writing." So I start doing that and they go, "Okay." Then I get his email address and we start emailing each other back and forth, and he ends up getting a letter from the US attorney in South Carolina that says they will consider it substantial assistance if they make arrests or recover a substantial amount of money. That's the best I'm going to get - is "consider". So, I start talking to this guy and he starts asking me questions about Ron Wilson. Like, "Hey, ask him this, ask him this." So I'm like, "Bro, I got to work that into a conversation. That's an odd thing to ask." So this goes on for 6 months. So I'm asking questions and I'm typing up little reports, and I'm a - I'm a - I'm a - I'm a prison snitch now. So, I'm not just like cooperating - I'm now - I'm now a prison snitch. So, I've moved down. I've moved down actually from being just a cooperating witness or -

### **Lex Fridman**

Because you're in prison, is that what makes you a prison snitch?

**Matthew Cox**

You can't even really say. No, you could say Prison Rat. You could say Prison Rat. I think prison snitch, I think, that's probably the closer the term that most guys would use.

**Lex Fridman**

What's the difference between a snitch and a rat in prison?

**Matthew Cox**

I'm not sure. It rolls off the tongue better. Prison rat doesn't sound as good as prison snitch. I don't know. I don't spend a lot of time thinking about this. So what happens is I'm asking Wilson questions periodically, and at some point they contact me and they say, listen, "Wilson's about to get some bad news." I go, "Okay." And they go - he's like, "I wouldn't want to tell you what it is. Let us know what happens." 2 days go by and Wilson comes up to me one day and says, "Cox. Cox." I'm like, "Oh, shit." I'm like, "Hey, what's up?" He's like, "Oh, you're not going to believe this. I got indicted." I was like, "What? What happened? No." "Yeah, my wife, they questioned my wife and my brother, and my wife walked in. First she said, I don't have nothing. I don't know what you're talking about." The next day, the brother walks in and gives them \$150,000 in cash. And so the next day the wife comes back and gives him \$250,000 in cash and a bunch of silver, like gold, bullion and silver, because his Ponzi scheme was based off of silver. He was going to invest in silver for you. So, half a million dollars, they turn over half a million. I'm like, "Half a million dollars? I thought she was a hundred thousand or something." And he was like, "I know. I didn't know I could trust you." I'm like, "Ron, what are you doing? I thought we were..." So, I'll tell you something just for the icing on the cake by the way, the icing on the cake. Let me explain one more thing. So if somebody cooperates with the federal government, let's say I get arrested and they go, "You want to help yourself?" And you go, "Yeah, okay, look, Jimmy is a - he lives next to me and he's running a meth house, a meth lab, whatever." And they go and they raid Jimmy and he gets arrested. You're going to get something off of that. Not a lot, but you're going to get something. And they could just say, "We were going to bust him anyway. We were already onto him." Now, the next level would be you wear a wire. So I wore a wire and I was in danger. Now keep in mind, I'm asking this guy questions inside federal prison. I'm in danger. So whatever, that's the next level. You're taking an active participation in the investigation. And the third level would be you actually get on the stand and you cooperate and you testify there's no better cooperation than that. So when Wilson says to me, "They're going to move me back to South Carolina, they've indicted me. They've charged me, what do you think I should do?" And I go, "I think you should go to trial, because I know they'll have to call me as a witness." Just to let you know, I don't want to walk out of here and have you feeling like, "Hey, there's some good to this guy." So I'm ready to gut Wilson like a fish.

**Lex Fridman**

But you are putting yourself in danger if you get on the stand, right?



**Matthew Cox**

I'm already in danger. If people there heard what I was doing, I probably would've been in danger.

**Lex Fridman**

Does that increase the chance of them hearing or no?

**Matthew Cox**

It does, but it also increases my ability to get more off my sentence. So what happens is a couple of days later, he's on what's called the packout. They're going to move him maybe a week later. So they come and get him, they move him, he gets back there to South Carolina and he pleads guilty. They sentence him, he gets 6 months added on. So he is now from 19 and a half to 20 years. And by the way, when Covid hit, he was released. So he only ended up doing 6 years on a 20-year sentence because he was older, by that point, he was 66-67 years old. Anybody older than 55 was in danger - especially in the prison. So, they had a Covid thing where they were releasing these guys and sending them home on an ankle monitor. Like, he's an old man. He's not going to hurt. He's not - he's not a danger. So, they sent him home. So, he ended up doing - so, he didn't even serve the 6 months. He didn't even serve the original sentence - whatever - not that I care. So, I'm just saying - if it makes you feel like, "Poor Ron." It's okay. So, his wife got a 100 hours of community service or something - or 60 hours - and I think his brother got 6 months papers. They got charged with obstruction of justice and neither one of them - it was 6 months probation and community service, nothing. So when I turn around, I'm waiting for my reduction, waiting, waiting. After about 90 days after this guy gets sentenced, maybe 6 months, I send a letter, "Hey, what's going on to the prosecuting, to my prosecutor?" The prosecutor of both districts, no response. Then I go to Frank, I explain to Frank, and Frank has known what's going on the whole time. And Frank goes, "Okay, I'm going to file a 2255." So we file a 2255, government comes back and first thing they say is, "Your Honor, we don't know about any cooperation. We've never heard about any cooperation." So of course then we submit the letter that we have, the judge comes back and the judge ends up saying it's a little complicated, but he ends up saying, "Look, I don't have jurisdiction to hear this because you may be time-barred, but I'm going to let the appeals court hear it." Now, typically, you have to get what's called a right of a certification to appeal. You have to make sure that you actually have a case. He says, "I'm waiving the cert and I'm waiving the \$500 fee to file with them." And he basically expedites it for me, which is a subtle way of telling the prosecutor, "I think he's got something and I'm sending it up there." And the way he writes his motion, it's basically saying, "I don't have the jurisdiction to do anything, but they do. They need to do it. And I'm paving the way. You don't have to pay any money and you don't need that cert." So the prosecution immediately comes back, they file a one level reduction, and - level reduction. And we immediately, Frank files something saying, "Hey, stop. We don't want the reduction. We don't want the one level, we want to come back to court. Please don't rule on it." So the judge says, "Okay, I'm freezing everything. I'm putting a stay on everything. I'm going to give this guy a lawyer

to try and figure out what you're going to do." They fly down a lawyer, Leanne Weber. So she comes, and she comes and sees me and she says, "Listen, I see that you want to go back and fight this and this, but honestly I don't think you're going to get anything more than one level. I talked to the prosecution. They said they'll give you..." Well, she said, "I can work on trying to get you 2 levels, but you don't have much of a prayer. You're going to get crushed." And I said, "Well, then why are you here? If they can crush me so easy, why don't they do it? Why would they pay you..." They pay them like 12 grand or something just to fly down and all your expenses..." - to negotiate for me? Why not crush me?" And she's like, "I don't know." I said, "Well, Frank said 4 levels." And she's like, "Who's Frank?" I go, "Frank's the guy that wrote all this." And she's like, "Oh, is he an attorney? Is he in here?" And I'm like, "Yeah, he's in here." She's like, "Why is he in here?" And I tell her, you've taken over the world. And she says, "That's the strangest thing I've ever heard in my entire life." And I said, "I understand. But Frank said..." And she's like, "You're listening to an incompetent..." I'm like, "Yeah, absolutely. And Frank said, 'We want 4 levels.' He said for me to tell you we want 4 levels." She goes, "Okay." She leaves. She goes to the US attorney. We argue 2 levels. They come back and say 2 levels. No. We go back and forth. We start filing motions saying we want to go back, we want a hearing. We want to bring back all the FBI agents, the Secret Service agents. And she's like, "What? Do you want to turn this into a circus?" "Exactly what I want to do. I'm going to turn it into the biggest circus. Because I've already got one level." They come back in one day, she says, "Listen, 3 levels is the best you're going to get." She said, "So I guess you'll be moved back here. We'll go to the hearing." I said, "No, no, no, I'll take 3 levels." And she goes, "What are you talking?" She said, "You said 4 levels. You said Frank wouldn't let you take anything less than four." I said, "No. Frank said to tell you four. I was happy with 3. I wanted you to argue for 4. I'm good with 3. I'm out of here in a year." And I don't want to be moved back. I don't want to have to get on that bus. Do you know what it's like to be moved? It's horrible. So I said, "I just want the three levels." Then we argue about the wording for about 2-3 months, and then they file it. And then I get 5 years knocked off my sentence because three levels at the level I was at now, isn't 7 years. Every level you get a little less time, so I get 5 years off. So now I've got 12 years knocked off my sentence. At this point I maybe have a year and a half to go, and that's doable. So I was super, super happy. And I'm going - I'm going to tell you something. And I'm sorry bro, but every time I think about it and I just feel like I have to say it. Like - Frank, I'm gonna go insane. But - I can - I didn't have a fucking prayer without that guy. And as crazy as he is - as much of a pain in the ass as he was - like I could never repay him, bro. Like - like I'm not - I shouldn't be here. I'm supposed to be in prison right now. My out date was 30 - 2030 without that guy.

### **Lex Fridman**

Where is he now?

**Matthew Cox**

He got himself out! He didn't do all that time. He got himself out. I don't even know how he did it. They've even thrown him back in prison again for 6 months and he got himself out again. He's insane. He's incredible. He's insane but he's incredible.

**Lex Fridman**

Is he really that insane?

**Matthew Cox**

He's in Orlando.

**Lex Fridman**

I mean, he seems like a good lawyer and a good man.

**Matthew Cox**

Look, he's great. He's great. I mean, there's no doubt in my mind I would be in prison right now if it wasn't for him.

**Lex Fridman**

And he's done this for others?

**Matthew Cox**

Walk people right out. 10 years off, 5 years off, 9 years off, 10 years. And I didn't pay for one thing. I didn't pay for my stamps, he paid for everything.

**Lex Fridman**

It sounds like the other lawyers don't really believe it's possible, and he does. It's interesting.

**Matthew Cox**

Well, I think he's willing to badger them into doing what they should've done to begin with. I actually wrote a book about it, which he loved.

**Lex Fridman**

About him.

**Matthew Cox**

About him and his story. It's so over the top, what happened with him. I mean, literally tried to take over the Congo. I mean, there's a documentary about it. It's called 9 Days in the Congo. It's an insane story. It's one of those stories that's just like, how is this not a movie?

**Lex Fridman**

It's not a movie yet.

**Matthew Cox**

No. I've pitched it several times and it would be great. So I wrote a synopsis and I turned that into a book.

**Lex Fridman**

What's the name of the book?

**Matthew Cox**

Oh, It's Insanity.

**Lex Fridman**

It's Insanity.

**Matthew Cox**

Yeah. But about it, like a year and a half later, I ended up getting out of prison and I went to the halfway house.

**Lex Fridman**

What'd that feel like, freedom?

**Matthew Cox**

Oh, this is bad, bro. This is bad. I remember when I was leaving the prison - I met some great guys in prison, which is a weird thing to say. But I met better people in prison than I'd ever met outside prison, at that low. I mean, because it was the first time I actually had friends. I really had someone that wanted to hang out with me, just to hang. I didn't have anything to offer them. I can't make you any money, I can't do anything for you. We're just hanging out because we like to laugh or we have things in common or we are fascinated by each other, or we just have a good time and fun. So when I was leaving, I remember my mom showed up and my brother showed up and they picked me up, and we were driving off. I remember looking back at the prison and my brother said, "I'll bet you're glad to leave that behind you," and I started crying. It's like nobody talked. It was so uncomfortable. I started crying and it wasn't because I was like, "Oh, it's over." It was like survivor's guilt. Like I was leaving all of my friends and I felt so bad that I was leaving them. But I went to the halfway house and I had 4 - When I was getting out, I remember joking that I had exhausted my Trulincs account, my inmate account, I'd exhausted it. I had nothing, I had 18 cents, I couldn't even figure out how to spend it. And they give you a debit card when you leave, and they charge you every time you use the card. I don't even have enough to spend the 18 cents because the charge is like \$3. So I was like, "Yeah, yeah." I was like, "I wonder if they'll still giving my debit card." And I'm laughing. Everybody's like, "What are you going to eat? What are you this, what are that?" And my one buddy looked at me, he was like, 'you can't go to the halfway house with nothing, bro.' And I was like, "No, it's cool." I said, "No, it's cool." I said, "No, it's cool." I said, "I want to start at the bottom. I've got that coming. I got working at McDonald's coming, so I'm going to

work at McDonald's. I don't give a fuck." And he was like, "Well, I think you're going to need to buy clothes." I said, "Oh," I said, "It's at the Goodwill. They give you a bunch of crap if you don't have anything, if you're indigent." And I said, "I'm indigent." And a couple of days before I'm leaving, \$400 ends up on my account. And I was like, "What the fuck?" And it was from a buddy of mine. And I go to him, my buddy Tommy, and I was like, "Tommy," I go, "Did you put 400 on my account?" And he said, "I can't let you go with nothing, bro." So I get to the halfway house and I go to Walmart and I buy \$300 worth of clothes at Walmart. I've never been in a Walmart. I go to Super Walmart, it's huge. I go there and I buy a bunch of clothes and I buy about 300 bucks worth of clothes, and I still have some of the blue jeans. To this day I still wear some of the blue jeans. I stayed in the halfway house and I called a buddy of mine named Trion, Trion Colta, and he owns a gym. And I grew up with him. His whole family, they own a bunch of gyms. And I called him and I said, "Hey man, I'm in the halfway house." And he was like, "Hey, what's going on?" He said, "Can I do anything for you?" And I was like, "I mean, I need a job." I didn't think he was going to give me a job. He goes, "Bro, you're hired. I'll give you a job." He said, "Minimum wage." I said, "That's fine. If I can stay out of here..." You can work 80 hours a week. I was like, "If I can just stay out of here 80 hours and you pay me minimum wage." He goes, "Oh, hell yeah, perfect." So I'm at the gym and I got free reign. So I'm playing on my computer, goofing off all day. And my buddy Pete, who's still locked up, he's texting me and calling me, and he's like - not texting me. He's emailing me through the Corrlinks system. And he calls me periodically, he's like, "Have you started a website?" Because one of the things I was going to do when I got out was I was going to start a website with all these stories that I'd written. And I was like, "No, Pete, I can't. I don't have a computer." He's like, "Well, how much is a computer?" I was like, "I don't know, they're like 300 bucks." I said, "I could probably get a used Apple MacBook, like a 5-year-old MacBook or something, I don't know, for \$350, whatever." But he was like, "Okay, so that's all you need - 300 bucks." I go, "No, no, no, no, no," I said, "It's not 300 bucks, bro. It's 300 bucks plus it's getting a WordPress website," which I said costs money. "Plus it's hiring somebody to help me figure it out because I'm inept. I don't know how anything works." So he, "Okay." And I said, "Plus, I need this. Plus I need a bunch of stuff. I need \$600 for this. I need \$300 for this. I need \$500 for this. I need a thousand dollars for this." And he goes, "Okay." He said, "I'll get you - okay, I got it." So, he reads off a list. He goes, "I got you." Pete doesn't have any money. And I go, "How are you going to give me any money?" He goes, "Every day I walk across the compound, people stop me and say, 'How's Cox doing?' And I say, 'Oh, he's okay.' And they say, 'Does he need anything?' And I say, 'No, no, he's good.'" He said, "I'm going to start telling these fuckers, 'Yeah, yeah, he needs something. You want to do something for him? Here's what he needs.'" I ended up getting two laptops sent to me. I got the computer program Final Cut Pro. I had guys in prison cutting me checks so that I could build a website and put all these stories on the website. So, I start putting the website - and I don't know what I'm doing. I put them on the website slowly, it takes forever. I'm putting pictures up, I'm trying to figure out how Photoshop works, all this stuff. The whole time I wanted to start - because the last - when I was just getting out of prison, everybody kept telling me, "Bro, you got to start a podcast. You got to start a true crime podcast." And I don't know what a podcast is.

The term podcast came into existence in 2009 when I'd been locked up 3 years. I'd never been on YouTube. So by the time I get out, the last year or two, guys are coming up to me, giving me magazines, like, "This is what a pod - you need to read - look, true crime's huge." And you have to think, guys are asking me every couple of days, "Cox, you got any stories?" And I'm like, "Yeah, yeah. Did you read 'Cash and Coke'?" And they're like, "Is that the one with the guys are robbing the drug dealer?" "Yeah." "Oh no. No, I read that one." "Did you read this one?" "No. No, I haven't read that. That's the one with the guy..." And I'm like, "Yeah, yeah, yeah, yeah." So, I'm giving these little stories and then they'd come back and give them to me. You don't have anything in there, so this is guys that would never read in their life, are reading. And I'm writing about the guy in B2, the guy in C1. So I put up the whole thing and well, anyway, they're all telling me do a true crime podcast - true crime podcast. I don't really know what that is, but by now I'm starting to listen to them on YouTube - serial and cold case files - that kind of stuff. And I think that's what I want to do. Well, my buddy Trion says, "There's a guy named Danny Jones that runs a podcast called 'Koncrete' and it's in St. Petersburg and he lives a couple of miles from me. I see him all the time." And I went, "Okay." And he said, "You should email him. He's got a guy on there all the time that does real estate." And I go, "I just got out of prison for bank fraud related to real estate. He doesn't want to interview me." He goes, "Well, maybe he does. Maybe you could ask him about starting a podcast." Okay. So I sent him an email. I remember Danny called me and he said, "Hey, is this Matt Cox?" I was like, "Yeah, this is Matt." He's like, "I got your email. This is Danny Jones." And I was like, "Okay." And he says, "Yeah, I got your email, bro." He goes, "This is a good fucking email." I was like, "What?" He goes, "I get a lot of emails, bro." He said, "That is a..."

### **Lex Fridman**

This is a good one.

### **Matthew Cox**

"That's a good one. That was really good. I mean, that was well written." He's like, "I immediately knew I had to talk to you." And I said, "Oh, okay." Because I think I started off with, "Hey, my name's Matt Cox, and I'm a conman."

### **Lex Fridman**

Good opening.

### **Matthew Cox**

"Who was recently released from federal prison." And so he was like, "Oh yeah, I mean, who says that?" So anyway, he said, "Well, what's going on?" I said, "Well..." And I tell him what's going on. I want to start a podcast - blah, blah, blah. And Danny, he listens to me for 30 minutes to an hour and, "I've heard this and this." And he's like, "Yeah, right. YouTube's not really like that and that's not really how we do it. And you're going to have to get a production company" - and blah, blah, blah. He goes, "But you know what? What you really need to do is

to see if people are even interested in you or your story - or you're able to talk. You should come on my show." Shameless - trying to get some content.

**Lex Fridman**

Well, I mean, so as I told you offline, Danny and Koncrete podcast is really good, so people should definitely listen to it. But yeah, I mean, it turns out people do like listening to you.

**Matthew Cox**

Turns out.

**Lex Fridman**

I mean, you're good at telling stories.

**Matthew Cox**

Well, anyway, by the time I got - I couldn't do Danny's podcast. I was like, "I can't do it, bro. I'm in the halfway house, so maybe..." I get out of the halfway house and a couple of months go by. Maybe 2 months, 3 months go by, and one day I get a phone call from Danny. He's like, "Bro, you're out of the halfway house, right?" Because I told him I got out in July, it was like October, November. I'm like, "Right." He's like, "Listen, I had a guest fall through. I got nobody. I need you to come on. I answered all your questions." I'd called him 5-6 times. "You said..." And I was like, "Fuck it, I'll do it." That video got 2 million views. Then I did - Patrick Bet-David flew me out. Then, I did 'Soft White Underbelly'. Then I did Vlad. People started - I'm sorry - and then, it just blew up. Then people started asking me to come and talk for no reason - which was crazy. But you were saying, I'm sorry?

**Lex Fridman**

Is your dad still with us?

**Matthew Cox**

No, he died when I was in prison. He came to see me 2 or 3 times.

**Lex Fridman**

When is the first time he found out that you were doing fraud?

**Matthew Cox**

The first time I got in trouble.

**Lex Fridman**

When you got the probation?

**Matthew Cox**

Yeah, because I had to explain that something's happening. I didn't want him to hear it from anybody else.

**Lex Fridman**

So you talked to him directly about it?

**Matthew Cox**

Super disappointed.

**Lex Fridman**

Did he ever tell you he loves you after that?

**Matthew Cox**

After I got the 26 years and the government decided they weren't going to indict anybody, and I really was like, "Wow, this is it. You're done." He came to see me, but just by himself. And I remember when he came to see me, it was by himself. He never came by himself. So I remember thinking something happened to my mom. And as soon as he walked in, I go, "What happened?" I go, "Where's mom?" And he goes, "Oh no, she's fine. She's fine." And he sat down with me and he said, "How are you doing?" I was like, "I'm good." He was getting sick. He was getting older. So we talked for a little bit just about the situation. And I was like, "Yeah." He's like, "Well, what are you going to do?" And I was like, "There's nothing I can do. I've called multiple attorneys, I've talked to people, there's nothing I can do." And he was like, "You're going to figure it out." He said, "You're clever and you're smart, and you're not going to do all of that time." And I was like, "I'm done. It's over. I'm going to get out of here when I'm 60 if I behave myself. And if I don't, I'll be 64." And he was like, "That's not going to happen." I think that was the first time he - I knew he was proud of me when I was making money, but he never said it. You got the look like he was impressed. But we were sitting there and I remember he said - because it's the only time I can ever remember him saying he was proud of me. And I remember he said, "You're going to figure this out." He said, "I'm not proud of where you ended up, but you've done amazing things." He said, "I wish you'd use your talents for something different, but you've done things that I could've never done, and you've led an amazing, adventurous life, and I'm proud of you."

**Lex Fridman**

I wish he could see you now.

**Matthew Cox**

My mom saw me. My mom's funny because my mom came to see me. My mom's a gangster. My mom came to see me every two weeks for 13 years. She missed about a month and a half when she had a stroke and ended up in a wheelchair. Then she came in the wheelchair, and she would make my brother bring her. My brother and sister would be like, "Mom, are you



sure you want to go? It's so hard to - it's such a long drive and you get so tired." "Well, I'll sleep in the car." "I know, but then we have to wait in the waiting area forever and it takes forever." "Well, I'm in the wheelchair, so I'm fine." "Well, I know, but it's such a pain to get in and out, and in and out." She goes, "I'm going to see my son and you're taking me."

**Lex Fridman**

I love it.

**Matthew Cox**

Yeah, she was something else. And I always say, if I had to say - I don't think about all the things I did to get out. I know there's all these guys that are like, "Oh, I wouldn't have done that. I'd have been a standup guy. And I'd have been..." Well, good for fucking you, bro. I wanted to get out. I wanted out. And the icing on the cake of me getting out, and I would've cut every motherfucker's head in that prison off. I was able to get out just in time to spend the last year and a half of my mother's life with her. I saw her 2 or 3 times a week, took her to dinner once a week. Was able to go on walks with her in her wheelchair. I was sitting right next to her when she had her final stroke. I held her hand when she took her last breath. So if I have to be called a snitch the rest of my life, I don't give a fuck. I may not deserve more, but she deserved more.

**Lex Fridman**

Do you regret - if you just look back, would you do any part of your life different?

**Matthew Cox**

Oh, I'd scrap all this, yeah. Yeah, I'd scrap all this to be - you always hear these guys say, "I wouldn't change it because it made me the man I am today." The man I am today is a fucking 54-year-old scumbag, multiple felons, starting my life over broke, living off of scraps, trying to make YouTube work. I've got two dead parents. I'm divorced. I have a son that doesn't talk to me. I have a son that doesn't talk to me for good reason, not because of a misunderstanding, because he understands. You can't even argue with him, he's got a powerful argument. "I don't want to be a part of this guy's life. He's a scumbag. He stole money. He went on the run. He abandoned me when I was 3 years old. I don't want anything to do with him." I get it. And I've tried to do all the right things. I wrote the letters. I drew him pictures. I've tried to call and it's not happening. I would do anything to go back and just be that regular, middle class guy with the two kids and the wife, working a regular job. That's a good life. That's a good person. I just made one arrogant decision after another, after another until it snowballed and I couldn't take it back. And then I did everything I could. And if I wasn't the calculating, backstabbing scumbag motherfucker that I can be, I'd be in prison right now. Sorry. So yeah, yeah, I would much rather be a CPA right now. I would much rather - should've stuck with being an insurance adjuster or something. I mean, I never should've whited that "30 day late" out - never. It was a mistake.

**Lex Fridman**

That was your first mistake.

**Matthew Cox**

That was a huge mistake.

**Lex Fridman**

You think your son will forgive you?

**Matthew Cox**

No. Unfortunately, according to my ex-wife and my sister, and everybody that he is a part of their lives. And I've seen him. My mother's funeral, I saw him. I've seen him at several functions. You look across and he looks right through me. Everybody says, "He's just like you. He's just like you." And everybody says I'm just like my dad. I've never smoked a cigarette. I've never drank alcohol, not a drop. Never done any drugs because my dad was an alcoholic and my dad smoked two packs a day, and everything in our house reeked of nicotine. And I've never smoked. And my dad was a pill head. He was always on some kind of prescription medication. I didn't want to be that person. And one day I drew a line in the sand and I wouldn't do it. And I think he's drawn a line in the sand and he's decided, "This is the hill I'm going to die on and I'm not going to back off it." And the thing is, my ex-wife tells him, "He's a good person, you should be in his life." His father, because he was adopted. When I was in prison they adopted him. Nick is his dad. Nick has told him. Nick came to see me when I was in prison. Nick has told him like, "Hey, this is a mistake. You're making a mistake." Everybody that knows me, knows him, and he has said no. So I fully believe it's no. I mean, I hope it's not.

**Lex Fridman**

Well, I hope he forgives you. I think there's a lot of good in you, despite you calling yourself a scumbag over and over in this podcast.

**Matthew Cox**

That keeps bothering you, you mentioned that earlier.

**Lex Fridman**

What advice would you give to young people, given that you've lived quite a non-standard life? What advice would you give them, how to live a life they can be proud of?

**Matthew Cox**

I mean, I don't know if I'm in a position that anybody would listen to me. And I don't have any advice that I don't think a father would give you, and it's like work hard, be appreciative. I mean, things are so good out here. I hear people complain all the time. And I think a huge part of just being happy is being appreciative. I didn't appreciate anything. This is so cliché,

but when I had all the money in the world, I was miserable. But when I got out with nothing, I was happier in prison with nothing than I was with two or \$3 million prior to prison, and I'm dating a chick I never should've been dating, driving a sports car, vacationing all over the world, miserable. I'm crying, driving away from prison because I already miss my friends. You could've never told me that was going to happen.

**Lex Fridman**

Turns out money, in fact does not buy happiness.

**Matthew Cox**

No. And it is such a cliché, right? But it's so true.

**Lex Fridman**

Crying, driving away from prison. Yeah.

**Matthew Cox**

You know what? I met my wife in the halfway house. She had just gotten out of prison. She was in the halfway house with me. She just did 5 years for a meth conspiracy. I never would've met her if I didn't go to prison.

**Lex Fridman**

And now your date night is hunting alligators together.

**Matthew Cox**

Yeah, that was a month or so ago.

**Lex Fridman**

This is Florida, folks. This is what badass people do in Florida - hog hunting.

**Matthew Cox**

My wife is a former - she was an MP in the military. She hunted. She ran a hog hunting tour guide service for 6 years - went to prison for 5 years - got out - and then now, she's a marine mechanic. And yeah, our date night the other night was we went in the middle of the night - went to Lake Okeechobee and went alligator hunting.

**Lex Fridman**

And if I may say so, she's quite beautiful.

**Matthew Cox**

Thank you. I did nice. She didn't want to date me at the halfway house too. I kept saying, "I feel like you're sweet on me." She's like, "I'm not. I'm not. I make fun of guys like you. You're a city boy." I'm like, "I don't know. I feel like..."

**Lex Fridman**

Well, you wore her down.

**Matthew Cox**

That's exactly what I did.

**Lex Fridman**

Yeah, it's that charisma. It always works. Well, Matt, thank you for being so honest. Thank you for being who you are. I do think there's a lot of good in you. And thank you for telling your story and the story of others who've made mistakes in their life. Thank you for talking today.

**Matthew Cox**

I appreciate you having me on.

**Lex Fridman**

Thank you for listening to this podcast with Matthew Cox. To support this podcast, please check out our sponsors in the description. And now, let me leave you with some words from Mario Puzo, author of The Godfather: "Behind every successful fortune, there is a crime." Thank you for listening and hope to see you next time.