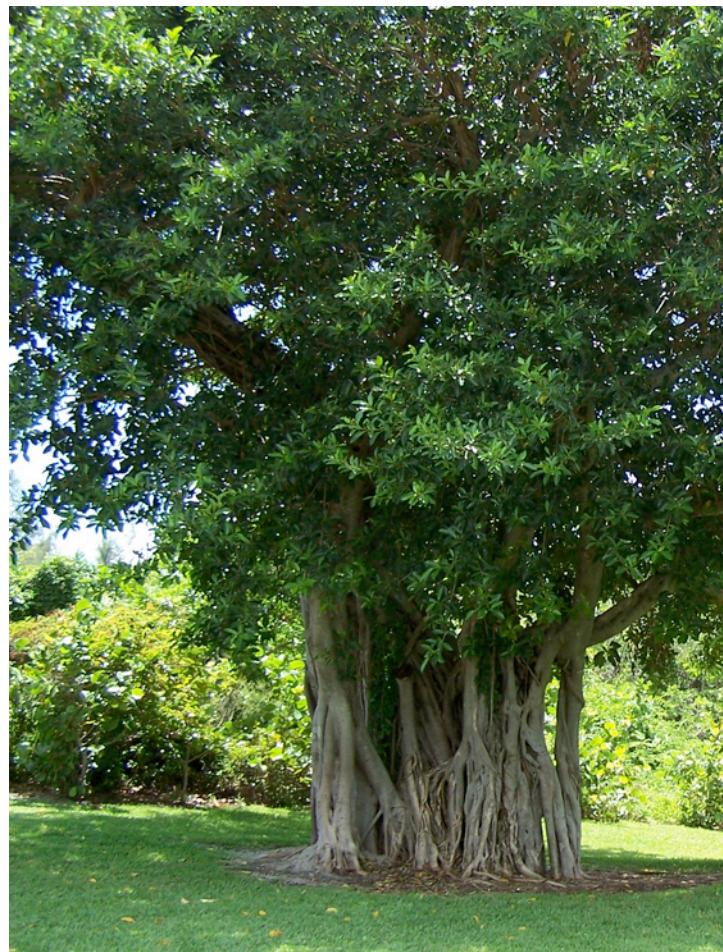


Madoff's Impact Hit Close To Home...

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When you live in balmy South Florida, it's easy to become detached from the fast pace of the real world... except when there's an election or a hurricane. [But when the Madoff scandal broke last year](#), it was like a lightning strike to the heart of the county and to [the Town of Palm Beach in particular](#), and it had nothing to do with 'hanging chad' or Rush Limbaugh. While Bernard Madoff's \$65 billion dollar Ponzi scheme ensnared more than 5000 people around the world, more than 1,100 of those clients, ranging from titans of industry to retirees of modest means, were scattered across Palm Beach County,



causing a major impact. Nearly 400 of his victims had homes in Palm Beach, where he was a part-time resident. Another 400 lived in the Boca Raton area.

Many of the Madoff victims were philanthropic by nature. Large foundations such as [The Picower Foundation](#), dedicated to building a society that provides choices and opportunities for improved education, health and civic life, failed after losing nearly \$1 billion in assets, almost all invested with Madoff. It

announced in December that it was closing its doors. At the end of January, the Carl and Ruth Shapiro Foundation – which lost \$145 million, about half of its assets - announced it would not be giving any more money this year, except to fulfill prior commitments. The Levin Family Foundation was wiped out - \$6 million in assets. The Werner Foundation was also devastated - \$1.4 million in assets. The J. Gurwin and Gurwin Family Foundations lost all of their assets - \$36 million. [The Palm Beach Post reported that at least 22 Palm Beach County-based foundations](#), with more than \$621 million in combined assets, had invested with Madoff. While much of the money donated by these local foundations remains in this county, other causes spread out across the nation.

If you have difficulty relating to wealthy investors, then pity the hungry, the homeless, neglected kids, abused women, homebound elderly, those with arthritis, birth defects, Alzheimer's, HIV/AIDS, cancer, autism, diabetes, mental illness, muscular dystrophy, cystic fibrosis, heart disease. These are some of the charities that will be affected, as foundations left penniless quietly shut down and others halt or cut their giving. I'm concerned because my young daughter is working with programs right in the heart of this county with the [Palm Healthcare Foundation](#), helping to foster medical vocations in concert with the district schools in after-school programs and summer camps and to provide for improved healthcare through the state agencies for those underinsured and underserved and to meet the demands for services for the more than 5,000 area children with special health conditions through Children's Medical Services at their office in the new [Palm Healthcare Pavilion for Children with Special Needs](#), which was recently opened to the entire community regardless of economic status.

Many other local charities are holding their breath as well. Most have not yet felt the fallout from the Madoff catastrophe but they are bracing for the worst as the economy worsens and accountants finish tallying foundation losses. Many such programs could still be affected as foundations that are left penniless quietly close and donations dry up. Perhaps State and Federal stimulus initiatives can help compensate for this man-made disaster and keep hope alive in community healthcare and education initiatives. These charities bear watching collectively and are obviously a cause worth considering.

Bob