

A Madoff ally skips his hearing

Robert Jaffe is said to be ill; state power over him is limited

By Beth Healy
GLOBE STAFF

Even if Robert Jaffe had shown up yesterday for his scheduled deposition before the Massachusetts Securities Division, he probably would not have answered any questions about alleged swindler Bernard L. Madoff, a securities lawyer said.

Jaffe, a registered broker who for years raised money for Madoff, was supposed to appear before state regulators yesterday morning, under subpoena. His spokesman said: "Bob is under doctor's care. The secretary of state had been informed of this and had agreed to an adjournment."

The spokesman, Elliot Sloane, said that Jaffe's condition was not serious, but that his lawyers had made Secretary of State William F. Galvin aware Jaffe would not appear.

Brian McNiff, a spokesman for Galvin, said, "The Securities Division is preparing to enforce the subpoena and to take all other necessary actions to protect Massachusetts investors."

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Jaffe is under scrutiny for his role at Cohmad Securities Corp., a brokerage firm on the same floor of the same midtown Manhattan office building as Madoff's. Cohmad, which also had an office in Boston's Back Bay, counts Madoff among its officers.

People who know Jaffe say he was one of several gatekeepers to Madoff's sought-after investment fund. Jaffe, who has homes in Palm Beach, Fla., and in Weston, helped investors place money

with Madoff. Jaffe is currently in Palm Beach.

Jaffe's spokesman maintains the 64-year-old bon vivant — who is more accustomed to Palm Beach charity galas and manicured golf courses than to regulators' hearing rooms — was as much a victim of Madoff as other investors.

Madoff allegedly ran a \$50 billion scheme that involved paying one set of investors with money from others. He apparently lost billions of dollars entrusted to him by foundations; by the rich and famous, particularly in the Jewish community; and by ordinary investors who had their life savings in his fund.

"Bob Jaffe is a victim of Madoff's Ponzi scheme, and his family lost substantial amounts of money," Sloane said.

Even so, a Boston securities lawyer, Pete S. Michaels, said Jaffe's attorney is almost certainly girding for a criminal investigation. The issue is not simply whether Jaffe had a hand in the scheme, but what he knew about Madoff's operation, and when.

At Madoff's request, Jaffe's father-in-law, Boston philanthropist Carl Shapiro, invested \$250 million with Madoff about 10 days before Madoff was arrested.

Had Jaffe appeared for the deposition, Michaels said, any lawyer advising him would have told him not to answer any questions. Typically in such cases, "Rather than show up and take the Fifth [Amendment] all day long, they're just not going to show up," Michaels said.

A spokeswoman for the US attorney in New York handling the Madoff case declined to comment on whether Jaffe is under investigation.

Massachusetts' secretary of state has limited power to force Jaffe to appear. Galvin could suspend his brokerage license, pending his appearance. McNiff, Galvin's spokesman, said there is no new date set for Jaffe to appear.

Beth Healy can be reached at bhealy@globe.com.



**UNDER
SCRUTINY**

Broker
Robert
Jaffe (left)

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