

# FREUD & MADOFF: Criminal Con Artists

“I can calculate the movement of the stars, but not the madness of men.” – Sir Isaac Newton, after losing a fortune in the South Sea Bubble Scheme

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Let us be clear. It is not the *madness of men* that Newton could not calculate, nor did anyone ever think he could, nor did *he* even *think* he was trying to do so, when he invested in the Ponzi scheme of his day, the so-called “South Sea bubble.” The “South Sea bubble” was a financial scheme in which Newton purportedly lost millions of dollars. Newton’s statement above is itself another form of mendacity. The subject of Newton *vis a vis* the South Sea bubble, was one of his own greed and mind-clouding avarice. In fact, Newton, as soon as he stepped out of the magic circle, where he became the instrument of amazing logical exactitude and a scientific genius *par excellence*, was a mere mortal—aye, one of the more damaged in the category of intellectual acumen. He spent most of his life, few people know, dabbling in alchemy and fanatical “Bible research”—leading him to “predict” the end of the world in 2060—this based on his alleged decipherment of cryptograms in the Bible, particularly the book of Daniel.

What I wish to highlight with these opening remarks is that just because someone is famous, and famous even for their intellectual and analytical capacities that gives no insurance against even stupid acts against one’s own self-interest because of greed, to get-along, or any number of contravening motivations. Thus, I and

many others have revealed and made public, with proof, that Freud’s psychoanalytical doctrine was a cultural “scientific” scheme, quite equivalent in most every way to a Ponzi scheme in the world of financial investments. As I due diligence professional in forensic accounting I am no stranger to the fact that where there is a strong “motive”—be it profit, recognition, fame, being in the right circles, what have you, one can inflict upon them themselves the most unbelievable blindness of the faculties. In a very real sense, and has been often remarked, the “Con” is one who first “convinces” himself/herself of the “con” they themselves have conjured with the intent to defraud.

## Common Elements of the Con:

The combining of Freud and Madoff in the examination of successful “cons” is appropriate for many reasons. The delineation of some of the key factors in the Freud/Madoff con will no doubt offend some and lay the analysis and the analyst, too, no doubt, open to charges of “racism” and anti-Semitism. The reader will find attached to this article remarks by a famous defender of the Jewish cause who confirms my observations.

In the following remarks “Con” or “con” is used both as a personal pronoun for the creator of the “con”



of Breuer, he became complicit in Freud's illegal activities as soon as he *pretended* to believe in Freud's theories, thus giving them a credibility they had not on their own. Freud himself admits Breuer telling him he didn't believe in a Freud's theories, personally, at all *even though he publically proclaimed that he did*.

Again, it is the *target* group that we are identifying here. Certainly, here and there, non-Jews become additional targets but the Cons gets their credibility with a specific group *first*. In this case, with their own ethnic group, and with the endorsement of others within the group who are widely respected within the community. The snowball rolls, and this one gives credibility to that one, and sooner or later, it often happens, and did in the cases under consideration happen, that some of the most intelligent, insightful, and honored members of the community give way to preposterous propositions and claims of a genius wizardry of the Cons—*appealing to greed or authority or other avenues of self interest which cloud rationality*.

Certainly, I do not mean to, and do not, imply that there were not Jews who did not either know or strongly suspected that either Freud or Madoff were notorious Cons. In the case of Madoff, I do not know enough about the details of the case to identify which Jews they were who suspected or knew of Madoff's criminal schemes—news is still in the making—but I am aware that that there were many Jews then and today who knew or strongly suspected that Freud was a Con Artist.

Before passing on to other features of the Freud and Madoff con schemes, I wish to emphasize that what I am saying about the Jewish element of the Freud and Madoff cons, is no different at all than if Madoff were, say a non-Jewish Scientologist. The Con would identify with his or her community, augment their standing in the community with claims of close contacts with highly placed Scientologists (say the movie actor John Travolta), obtain endorsements of their standing and credibility by them, demonstrate that they had “arts which exceed all others”, etc. There, too, the ultimate motivation, bolstered by *faith* in the connections would still be the ever-prevalent ghosts of greed, enhanced position, reputation, or what have you—which blinds them to the truth of the trap the Con is laying for them.

### **The Proof of the Pudding: Genius Claims/Miracle Cures**

Now, every con, inherently because it *is* a con, must “stack the deck” to give an appearance of legitimacy for fictitious representations of the truth—to lure the target who is beside himself/herself with greed and visions of being the recipients of “miracles” or near miracles—in the case of Madoff that he could produce, virtually *ex nihilo* amazing profits that *no other financial magician could*. And, in the case, of Freud, that he could perform feats *that no other doctor magician could*—produce cures for virtually every form of mental disease. By definition, every con is based on fraud. And, it is for fraud that criminals come to justice.

Freud and Madoff because of their particular gifts were able to implement and sustain the continuance of their scams for considerable periods. Madoff is now busted and so is Freud. But, ironically, there are still those who cannot accept the fact. Freud's gift of language, his skill in crafting, as he himself said, "like a novelist" his fictitious case histories that "proved" his fake cures, enabled him to seduce into the ranks of the "believers" an amazing list of famous artists, scholars, psychologists, and, of course, patients and "disciples." Thomas Mann, that great German novelist of the 20<sup>th</sup> century, called Freud a writer of "European rank" and himself fell victim, it seems, to Freud's frauds and verbal *legerdemain*. He *believed* Freud actually cured people—while there is not one of his case histories, claiming a cure that is true. It was these fraudulent "cures" that Freud held out as proof of the validity of his theories that "believers," like Mann, gave him the benefit of the doubt. But all Freud's case histories and cures are frauds. Yet, if one has a taste for it, and many do, his "novel-like" case histories are engrossing pieces of creative fiction writing, *a la* Edgar Allen Poe. (See **Note On Mann** at end of comments)

Moreover, in the case of Freud he added to the illusion of his "wizardry" the fact that his work was *confirmed* by his "disciples." Freud began by quoting himself as his authority for his "science"—he seduced "disciples" into believing in his new "science" and then he quoted his disciples as "proof" of his "proof." He got a printing press, every member of the cult quoted other members of cult and, lo and behold, there was an appearance of "proof"

coming in from all quarters—which, of course, seduced more believers into the fold.

Of course, many of these "believers" had an "egoistic" motive as they then became "psychoanalysts" themselves and they, too, could charge \$200 an hour, or whatever the fee was at the time, for their services. The patient "believers" were, by and large, all from the wealthy or well-to-do Jewish classes—so that was no problem for the propagation of the "psychoanalytic species." Freud's con, then, as the momentum built, assumed all the characteristics of a "religion." Indeed, I have it from a renowned psychiatrist, Dr. Thomas Szasz, who happens to be a Jew, and who personally communicated to my editor that it didn't matter if I was able to show Freud to be a fraud—because Freudianism had become a religion in our times. By this he meant it, the theory, was no longer susceptible to logical analysis as to the issue of its belief and had nothing to do with science. And, the truth is, with many Jewish psychologist or psychoanalysts Freud supplanted Moses in their belief-system. Indeed, the renowned Director (or one-time Director, as the case may be) for the Center for Israel and Jewish Studies at Columbia University, Yosef Hayim Yerushalmi, in his book *Freud's Moses* dedicated his book to two Jews, Arthur A. Cohen, Theologian and Mortimer J. Ostow, M.D. He commends Ostow with these words:

whose uncompromising  
commitment to psychoanalysis  
and to Judaism is as moving as  
it is exemplary

The “ring” of Psychoanalysis and Judaism, seems to indicate a “moving” and “exemplary” union, especially when we have, in both cases, “an uncompromising commitment.” Why, one would think that Psychoanalysis was Jewish (see my quotations at the end of this article). Yerushalmi was informed (“put on notice”) that Freud was a serial killer and he showed no interest in learning anything about it at all. Thus, he, too, becomes a shameless enabler of the Con and, in Yerushalmi, an *active* participant in the Freudian Fraud as he sanctifies this union of psychoanalysis and Judaism.

As to Madoff, the juggernaut of his criminal con, of course, did not reach the diseased status of becoming a “religion”—though he appeared to have had such prestige in the Jewish community that hundreds of millions, if not billions of dollars were stolen from other Jews and non-Jews alike, by Madoff’s criminal bilking (one might better say *blundering*) of numerous Jewish charities. The effect of Madoff’s crimes has been declared by more than one Jewish charity as the equivalent of an “Atomic bomb.” Many are certain to die as a result of the loss of those precious funds to aid thousands of the homeless, the needy and the ill.

In Madoff’s case, too, we see the same development. Jews recommended to other Jews investment with Madoff—all trusting him as he came highly recommended and was himself a Jew. Madoff, like Freud, used his considerable skills and insider’s knowledge of Wall Street and the world of “high” finance to create financial statements and returns—giving the appearance of genius-working skill in

art of making money. Though the scam itself, as perpetuated by Madoff could have been rather easily penetrated, and was penetrated by due diligence financial analysts, the S.E. C. officials acted as blind men when reviewing Madoff’s paperwork. One must ask were they, too, Jews, and figured they could trust “one of their own”? It is not only a fair question (the U.S. government may yet be called upon to bail out those bilked with hundreds of millions of tax-payer dollars, perhaps *billions!* The S.E.C. was informed that Madoff was engaged in a scam, *over a decade before he was busted* and they failed to act, to investigate, or respond—in an act of criminal malfeasance, in this writer’s view, whatever the ethnicity of those charged to enforce the law.

### **Freud and Madoff’s “Secrets of their Genius”**

Both Freud and Madoff, of course, had to claim that the secret formulae of their wizardly could not be disclosed—i.e., exactly how they managed their near miraculous achievements. In Freud’s case, he repeatedly stated that “in my own case” he could not tell the deeper underlying meaning of his dreams—because he would have to “give away so much” of his personal life. He claimed that it was the analysis of his own dreams that lead him to being the “first mortal” to understand the meaning of dreams, but could not tell the whole truth of his own dreams, *that* he had to keep secret! So Freud claimed to have created a science but no one could see the “deeper” evidence. We know why that was the case—because he was a serial killer. Our entire *intelligencia* and its “cultural” and

“educational” organizations totally failed the public and allowed Freud’s criminal scheme to go forward.

Madoff, on the other hand, would have the world of financiers believe that his “secret” could not be disclosed because other’s would then be able to become “wizards,” too, and that might affect the miraculous returns he was getting, allegedly, on his investments for his clients. Even the S.E.C., Wall Street, the financial geniuses of our business world utterly failed us, and now the American public will no doubt lose billions. O, if only there *were* a Newton of finance, to have shown us the light! Actually, the fraud could have been uncovered by any reasonably competent forensic accounting due diligence professional. The reason Madoff was not investigated earlier is because *they did not want to know the truth.*

Likewise, responsible scientists and intellectuals, Jews and non-Jews alike utterly failed to do their “due diligence” on Freud and his fraudulent claims of cures that never happened or to critique appropriately his claims to have himself invented a “new science” of the unconscious by analysis of his own partially secrete dreams. Of course, we do not know and cannot know if Freud even ever had any of the dreams he claimed to have had, the solution of which he claimed he was the first mortal to achieve!

## Conclusion

I have only briefly touched on elements in common between the two Con Artists, Sigmund Freud and Bernard Madoff. Both of them had an enormous

effect upon the culture and/or economy of thousands. Both were Jews who had no scruples regarding who or how many they harmed, Jews and non-Jews alike. Both were diseased personalities of substantial gifts who connived their way into the trusting good graces of people who had themselves absented themselves of their “better angels” and allowed themselves to become victims, targets, and/or beneficiaries of criminal schemes.

**Note On Thomas Mann:** And, here, it seems appropriate to make brief a brief comment on Mann’s Newton-like gullibility for Freudianism as an intellectual construct. Elsewhere, I will deal at length with Mann and his “motives” for “buying into” Freudianism. Mann was not a Jew, he had no ethnic ties and it will be, I think, instructive to deal with what “egoistic” lure he had for playing the role of a “sucker” to Freud’s scheme. \*\*  
*Actually since writing the foregoing, I have discovered that Mann’s mother was Jewish, so according to Jewish law he was Jewish—though he was raised as a Christian.*

Here, I would only make the following remarks. Firstly, however, I had have it known that I am only taking a few short sentences out of Mann’s essay on “Freud and the Future” an essay that is of such importance, as I believe, to cultural history, precisely *because* it is such a grandiloquent homage to Freud, in language sometimes ravishing in its virtuosity and insight—that it would not do at all to make a quipping comment and pass it by in the main.

The detail, I would quote from Mann, which I believe gives some inkling of a

fatal flaw in Mann's whole *gestalt* of Freud involves the following. Mann is speaking of Jung and a comment that he made concerning the mysterious relationship between *being* and *happening*. Quoting Jung, Mann writes: "It is so much more direct, striking, impressive, and thus convincing, to see how it happens to me than to see how I do it." And Mann continues, in his own words:

A bold, even an extravagant statement, plainly betraying the calmness with which in a certain school of psychology certain things are regarded which even Schopenhauer considered prodigiously daring speculation. Would this unmasking of the "happening" as in reality "doing" be conceivable without Freud? Never! It owes him everything. It is weighted down with assumptions, it could not be understood, it could never have been written, without all that analysis has brought to light about slips of tongue and pen, the whole field of human error, the retreat into illness, the psychology of accidents, the self-punishment compulsion—in short, all the wizardry of the unconscious. Just as little, moreover, would that close-packed sentence of Jung's, including its psychological premises, have been possible without Schopenhauer's adventurous pioneering speculation.

And Mann goes on to indulge, as he says, in "a little polemic against Freud himself." The polemic has to do with the fact that Freud, Mann says "does not esteem philosophy very highly. His scientific exactitude does not permit him to regard it as a science" The point I would briefly make here is that Mann states that Jung's remark would not have been possible without Freud, "Never!" And yet, curiously, he does not call up Freud at all for Jung's "closely packed" remark. He calls up Schopenhauer! Schopenhauer *preceded* Freud by decades, as Mann assuredly knew—and yet, unbeknownst to Mann, Freud had merely lied when he claimed he did not know Schopenhauer. Mann says the statement of Jung "owes everything" to Freud, and then claims as the godfather of the statement the great German philosopher, Schopenhauer. It is Schopenhauer's philosophy, whose own psychological theories were those espoused and claimed by Freud "to a hair." Mann states that Jung's statement is in fact based upon "all that analysis":

without all that analysis has brought to light about slips of tongue and pen, the whole field of human error, the retreat into illness, the psychology of accidents, the self-punishment compulsion—in short, all the wizardry of the unconscious.

What does Jung's statement have to do, I ask, with "slips of the tongue and pen" or "the whole field of human error" or "the retreat into illness" or the "psychology of accidents and self-punishment"—that which Mann calls the "wizardry" apparently, he implies,

brought to light by Freud's "science" of the "unconscious"?

Mann states that Freud's scientific exactitude does not permit him to regard philosophy "as a science." What can that mean? Is it a bad translation? Philosophy is *not* a science—and as the famous phrase has it, correctly, as I believe, that "science is the handmaiden of philosophy." Is Mann suggesting that *he* himself considers philosophy a science? Very doubtful! But, if so, we must part with Mann here and wonder where else his grandiloquence itself is an obstacle to intellectual clarity. And we may ask, what has "analysis" brought to light about "slips of tongue and pen." I know quite well what Freud says about slips of pen and tongue and know that, in Freud's own view, the basis of all of his comments on the subject emanates from what Freud regarded as the pathological condition occasioned by the fact that, in his own case, he was a murderer.

I have written and posted comments on this very subject indicated above on my website. But, what, if I may ask, is "the whole field of human error" that Mann seems eager to credit to Freud's wizardry? What is "retreat into illness"? Is illness voluntary, at state that one "prefers" to go to—and, if so, are we to

assume that there is a state of "health" that "decides" to "retreat into illness"? Then, too, Mann speaks of the "psychology of accidents," but what does that mean? Certainly, we all know, and knew long before Freud, that some people are "prone" to accidents, indeed, intentionally harm themselves out of guilt—why the subject of the dynamics of suicide were not discovered by Freud, for God's sake! Why one would think, if we took Mann seriously, that there was no such subject as *psychology* without Freud, or before him?

Mann certainly must have known that *lapis linguae* has long been used by creative writers to show how slips of the tongue and pen reveal "unconscious" preoccupations of the human being. The matter is "pathological" only in the "pathological" personality—such as Freud's, from which, as said, Freud derived all of his examples. Freud's examples were based upon his murder mania. Apparently Freud did not reveal the significance of *that* to such an extent that Thomas Mann was even aware of it. Did Mann, too, get "conned" by Freud. It would appear so.

#### SOURCES FOR THE "JEWISH ORIGINS" OF FREUD'S SCAM

Dennis B. Klein (Dr. Klein was Director of the Center for Holocaust Studies, under the auspices of the Anti-Defamation League)

The below quotes are from: Dennis B. Klein's book, **Jewish Origins of the Psychoanalytic Movement**. Chicago: University of Chicago Press, 1985.

“Two other member of the psychoanalytic movement acknowledged the ethical superiority and universal responsibilities of the Jewish people [by virtue of being God’s Chosen people]. Though Isidor Sadger (1867-1947?), a relative of Wittel’s and the one who introduced him to Freud, criticized the aggravated obsessional neurosis of East-European Jews, he endorsed the German-Jewish student struggle for humanitarian achievements, by lecturing to the *Jüdisch-akademische Lesehalle* and to the *Lese-und Redenhalle jüdische Hochuler*. Victor Tausk (1879-1919) asserted, a few years after joining the movement in 1909, that the “progress of psychoanalysis” rested with the Jews. He explained that the unique position of the Jews as society’s outcast furnished them with a special sensitivity to the collapse of the traditional political and moral order, as well as with a capacity for discerning the foundations of a more stable order: “It is understandable that in ancient, neglected palaces, with crumbling walls we [Jews] can see the inner structure and can gain insights which are inaccessible [to those living] in beautiful new houses with polished facades.

The common belief in the value of the Jews to the development of psychoanalysis is evidence of the circle’s intense Jewish self-consciousness in the decade before World War 1. Believing Jews were chiefly responsible for the analytic redemption of mankind, the early analyst regarded the psychoanalytic movement as a Jewish movement. In the case of Freud, this belief can be seen to underlie his deep involvement in the B’nai B’rith. His communication of the earliest results of his scientific investigations to the brotherhood, and his search for new members sympathetic to his germination psychoanalytic theories, indicate that the psychoanalytic movement began, in embryonic form, within the B’nai B’rith. Even after 1908, when Freud attempted to reserve the tendency toward Jewish exclusiveness within the circle, he maintained the belief in Jewish ethical responsibility. This belief surfaced both in his identification with the Hebrew prophet Moses, and in his communication, to his followers, of the idea that Jews played a crucial pioneering role in disseminating the redemptive insights of psychoanalysis.”