

WHAT IS TO BE LEARNED FROM THE LIKES OF MARC DREIER AND GREGORY SMITH?

# The lessons of Ponzis & pistols



**Shannon Melnyk**

OPINION

In the autumn of an economic apocalypse that has spanned Wall Street to Main Street, two men from opposite worlds sit slumped in orange coveralls tonight for attempting to tear at the moral fabric of what capitalism considers the land of opportunity.

One is 23-year old African American gunman Gregory Smith, a former U.S. military serviceman, who, after months of jobless desperation put a firearm in the face in a cash advance clerk in Indianapolis. A common sight, if it weren't for the fact that Smith took the bullet out of his gun and gave it to his victim after her reaction prompted him to fall to his knees and pray with her. It ended with an embrace, and his subsequent flight and arrest after his mother spotted him in surveillance video on the news and urged Smith to turn himself in.

The other is 59-year old Park Avenue attorney Marc Dreier, a silver spoon whose blind ambition found him bilking hedge funds of almost \$400 million, impersonating a Canadian pension fund lawyer and spiralling into the bizarre circumstances of his high-stakes Ponzi scheme that led to his arrest in Toronto and the end of his life as he knew it.

These are not men with much in common. They're at odds in the socio-economic spectrum, the race divide, their lots in life.

At first glance, the only

things these men share are ill-conceived crimes committed for money and the fact that they gained widespread attention for the dramatic circumstances of their arrests as well as their plausible expressions of remorse on the giant media stages of *Oprah*, *Good Morning America* and *Vanity Fair*. Notably, however, in what were dramatic falls from grace, each had an opportunity to escape from the justice that awaited them. In Smith's case, he had many options to expedite his getaway; he also could have played out his odds of being identified by the law, as opposed to turning himself in. He explained he was moved by his victim's pleas

and offers of prayer. "No one has ever talked to me the way she did," he said sheepishly from jail to an audience of millions on *Oprah*.

In Dreier's predicament, there was a defining moment in Toronto just prior to his arrest that the woebegone attorney knew that if he walked back into the Ontario Pension Plan's offices after his disastrous attempt to waive suspicion, it would likely be game over. "Clearly," he said to *Vanity Fair's* Bryan Burrough, "there was a part of me that just wanted this to be over. I knew I was defeated. I went back in knowing I would probably never leave that building a

free man."

Only weeks prior to that fateful day, Dreier also found himself overseas with \$100 million in cash and the option of spending his days on a balmy island as a wealthy international fugitive.

"I couldn't do it," Dreier recalls. "I thought I would never see my kids."

His choice landed him a sentence of 20 years in prison.

Dreier and Smith, however, do not deserve a medal of valour for growing a conscience. Of significance, if we choose to see it, are not these men's admissions of wrongdoing. The temporary warm fuzzies of fleeting empathy in the midst of

watching two criminals display their demons — pale in the brighter light of daring to look at the mutual core of their dysfunction.

When asked what led to their acts of desperation, Smith replied that a build-up of frustration about not being able to support his girlfriend and young daughter made him feel less of a man. Dreier glumly recalled he set about losing his way after he was not fulfilling the expectations he had for himself — as the boy deemed most likely to succeed went on to Yale, Harvard Law School and a subsequent legal career in Manhattan.

These are simply two men who shared the ultimate bad shake in the roulette of life: they had a skewed sense of money's meaning in the worth of a man and a case of good old-fashioned crappy self-esteem.

In an anti-climatic and simple observation, Dreier told Burrough, "I see people my children's age first coming into finance, the working world, as having to make basic choices about how to define happiness and success. Obviously, I made the wrong choices. But they don't have to."

In the predictable patterns of post-recession analysis, what is to be gained from the leather sectional view of reprehensible behaviour — whether it's out of greed, or desperation?

Do we use stories of men behaving badly as self-righteous excuses to assert blame and further our global-accountability crisis? To share modern-day, cautionary fairytales to our children? To satisfy political arguments? Or to relieve ourselves of our collective social fears, deem it karma and call it a day? In this mad, mad Madoff climate of anger we may very well be judged on whether we

choose retribution or redemption. History shows a reactive society seeks its revenge and continues patterns; a smart one evolves. So what is to be learned from the likes of Marc Dreier and Gregory Smith?

Front-page politics may be a guise for the fundamental argument about whether or not the root of all evil is money, when in fact our health as a nation and a global economy depends on how we see ourselves without it. The admission of low self-esteem will supersede the admission of a crime in the eyes of the community if society gets off its collective rump to see the metaphorical sacrifice these men have given us today: the ultimate reminder that egregious errors in judgment are a result not of the pool of monsters in our midst, but of the cliché that criminals are bred, not born.

Perhaps it will take the collapse of an entire financial community to run out of people to blame in order to heed the even headier cliché that it takes a village to raise a child. We will be given our long-awaited Age of Aquarius when we cease picking sides over Michael Douglas's *Greed is Good* speech, lamenting over our growing basket of bad apples and debating the root of political corruption. Evolution will occur when we debate the virtues of a man as opposed to the bonanza of financial regulatory gong shows, the consequences of the feminist movement or single parenthood as the decline in family values.

Until the reigning emphasis is on who we are — rather than what we must become — Ponzis and pistols will prevail.

— Shannon Melnyk is a Vancouver-based freelance writer

