

Exploring the psychopathic traits behind the rise and fall of Madoff

May 17 2023



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A new academic study examining the actions of Bernie Madoff, the New York banker behind the world's biggest Ponzi fraud, suggests companies do more to root out "corporate psychopaths" within their organizations to prevent financial ruin.

The study, published in the *International Journal of Market Research*, looked at Madoff's behavior throughout his life including during his business dealings, his trial, and his time in prison.

It warns that while people with some psychopathic [personality traits](#) tend to get ahead in [corporate finance](#), their recklessness and greed can bring down organizations and even entire economies.

Author of the research Dr. Clive R. Boddy, Associate Professor at Anglia Ruskin University (ARU), is a pioneer in the field of corporate psychopathy. Around 0.6%-1.2% of the [adult population](#) are defined as psychopaths, meaning they possess no conscience, shame, guilt or ability to experience love for or feel empathy towards other people. The term corporate psychopath refers to well-performing psychopaths who work in corporate settings.

Madoff's Ponzi fraud centered around the asset management branch of his financial firm and it defrauded thousands of investors across the world. The fraud was uncovered in December 2008 and was thought to be worth around \$64billion. He was jailed for 150 years in 2009 and died in 2021 in a prison for inmates with health needs.

Madoff's actions were examined against two established scales of psychopathy. These include personality traits such as superficial charm and apparent intelligence; lack of sincerity or truthfulness; a tendency to cheat; a lack of remorse; being emotionally shallow; a lack of self insight; calmness; and apparent rationality.

The research suggests Madoff embodied all of these behavioral traits in addition to many others. He was renowned for his bullying towards his detractors, while carefully crafting an image of rationality and competence to those whose opinion was important to him and his business. His ego reportedly remained intact even when in prison, where

he showed no remorse for the victims of his crimes.

Dr. Boddy said, "Highly psychopathic senior businesspeople who were quite plausibly genuine psychopaths are visible in commercial history."

"This new study aims to understand whether some corporate scandals and bankruptcies feature senior corporate officials who might be workplace psychopaths, and this has demonstrably been the case."

"People have often wondered whether Bernie Madoff was in fact a corporate [psychopath](#), and he certainly scored highly on the two measures of psychopathy utilized within this study."

"The findings suggest that Madoff's fraud was an outcome of his personality and that similar personalities such as Robert Maxwell and Ken Lay, have behaved in similar ways."

"There are likely to be plenty of people in the world of corporate finance with similar psychopathic traits to Bernie Madoff. The job for financial corporations and firms, if they want to give themselves the best chance of avoiding crisis, would appear to be identifying them before they ascend to power."

More information: Clive R. Boddy, Insights into the bernie madoff financial market scandal which identify new opportunities for business market researchers, *International Journal of Market Research* (2023). [DOI: 10.1177/14707853231173260](https://doi.org/10.1177/14707853231173260)

Provided by Anglia Ruskin University

Citation: Exploring the psychopathic traits behind the rise and fall of Madoff (2023, May 17)

retrieved 26 April 2024 from

<https://phys.org/news/2023-05-exploring-psychopathic-traits-fall-madoff.html>

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