

Sidedoor Season 4, Episode 16: Ponzi's Scheme

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Lizzie Peabody: This is Sidedoor, a podcast from the Smithsonian with support from PRX. I'm Lizzie Peabody.

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Lizzie Peabody: A few weeks ago, I visited a Smithsonian exhibition that is built on crime.

Daniel Mihalko: This entire exhibit was paid for by the bad guys.

Lizzie Peabody: Who are the bad guys?

Daniel Mihalko: You've heard that old saying, "Crime doesn't pay?" Well, it does in this case.

Lizzie Peabody: This is Retired Postal Inspector Daniel Mihalko.

Daniel Mihalko: When we had cases where we had fines and forfeitures, all of that money comes to the Postal Inspection Service.

Lizzie Peabody: He gave me a tour of the National Postal Museum exhibition called, "Behind the Badge," which he helped curate.

Daniel Mihalko: I was with the Postal Service for 31 years; that last 26 years as a Postal Inspector.

Lizzie Peabody: The exhibition documents: some of the famous ways people use the mail for crime. And don't confuse Mihalko for a mailman. After all, the Postal Inspection Service is a federal law enforcement agency. And Mihalko definitely gives off a detective kind of vibe. He has a grey mustache, a lapel pin and when you look closely, you see it's actually a tiny badge.

Daniel Mihalko: We're just like the FBI, the DEA or secret service. We investigate crimes that involve the post office, their employees, and involve the mails.

Lizzie Peabody: If you think of the U.S. Postal Inspection Service as a band, the Postal Museum's "Behind the Badge" exhibition is like their "Greatest Hits" album, with track titles including: "Porch Pirates!"

Daniel Mihalko: From the time somebody mailed a letter in the colonial times, there was somebody looking to steal it.

Lizzie Peabody: Or "Did my favorite athlete really wear this jersey?"

Daniel Mihalko: Here's one for Alex Rodriguez, allegedly, when he was playing for the Seattle Mariners, come to find it was just an off the rack....

Lizzie Peabody: Hmm.

Daniel Mihalko: ...purchased at a sports store.

Lizzie Peabody: Or my personal favorite, "Is this pill legit?"

Daniel Mihalko: A lot of guys out there that uh, certainly were unfulfilled in what they were trying to get done there.

Lizzie Peabody: Oh man. Natural male enhancement. Right next to the fat blocker pills. I guess we know what people care about in our society.

Daniel Mihalko: Yes. Yes. Uh, you know, they make these outlandish claims that have no real basis in fact.

Lizzie Peabody: Hmm, mmm.

Daniel Mihalko: So, they make these claims... so that's the fraud there. You know, they're selling something that doesn't really exist.

Lizzie Peabody: And all of these types of scams have two key details in common. One: they involve the mail. And two: people use them to make a quick, and illegal buck at someone else's expense.

Daniel Mihalko: We have a lot of investment frauds, so everybody's trying to make a lot of money, without doing a lot of work.

Lizzie Peabody: Trying to make a lot of money, without doing a lot of work. That's pretty much the crux of any scam. This exhibition shows the scammers who rise above the rest. But even still, there's one name that lives in infamy.

Daniel Mihalko: And, and here we are. Charles Ponzi himself: a pretty dapper looking guy there with his fancy suit.

Lizzie Peabody: That's Charles Ponzi. Yes, that Ponzi. The one with the Scheme.

[MUSIC]

Daniel Mihalko: Yes, he's quite the fashionista back then with a lot of suits and a lot of pairs of shoes to go with his fancy car. And um, he was quite a man about town, while the money lasted.

[MUSIC]

Lizzie Peabody: But oh friends, the money never lasts. So, this time on Sidedoor, we meet the man behind the Ponzi Scheme, and learn how that guy stole millions with a simple deception.

[MUSIC]

Lizzie Peabody: Don't miss it!

[MUSIC]

Lizzie Peabody: "I landed in this country with \$2.50 in cash and \$1 million in hopes."

[MUSIC]

Lizzie Peabody: That's how Charles Ponzi described arriving in the United States from Italy in 1903. He was 21 years old with high hopes, but not a great work ethic.

[MUSIC]

Lizzie Peabody: Ponzi was short, suave, and confident. And thirsty for fast money, but even tough guys have soft spots. And Robert Allison, a Boston-based history professor, says...

Robert Allison: He also had a deep attachment to his mother and so thinking about what he could do both to make his mother proud, or later on not to make her ashamed of him...

Lizzie Peabody: Hmm.

Robert Allison: ...but also to help support her.

[MUSIC]

Lizzie Peabody: Once in the U.S., Ponzi worked five years at jobs that didn't really fulfill his sense of destiny, or leave him flush enough to send money home to his mom. So, in the summer of 1907, he picked up again and moved to the real land of opportunity. Of course, I'm talking about Montreal.

[MUSIC]

Robert Allison: There a large Italian community in Montreal and actually goes to work in a bank there.

[MUSIC]

Lizzie Peabody: It was called Banco Zarossi. It offered financial services like money transfers and served Montreal's Italian immigrants. Ponzi was quickly promoted to bank manager. He was perfect for the job. He spoke Italian, English and French and his charm made him a favorite with customers. And Banco Zarossi had a lot of customers. Because while other banks in the neighborhood offered three percent interest on their accounts, bank President, Luigi Zarossi offered six.

Wendy Pirie: Now that one I don't understand

Lizzie Peabody: Here's Wendy Pirie. She has a PhD in finance and is a Charles Ponzi historian.

Wendy Pirie: Because where was he getting this other mythical three percent?

Lizzie Peabody: The answer is nowhere legal.

[MUSIC]

Lizzie Peabody: Weighed down by interest and bad investments, Banco Zarossi started drowning in debt. The bank was in trouble. Zarossi got desperate. It was crime time.

[MUSIC]

Wendy Pirie: And he was getting checks from immigrants that were supposed to go back to the families in Italy and he started stealing those on the premise that it would take a while for people to figure out that the checks never arrived in Italy. Well, the money never arrived in Italy and so, um, that didn't last long.

[MUSIC]

Lizzie Peabody: Let that sink in. Luigi Zarossi, who ran the bank, decided to just steal money his customers deposited. Then he paid that money to other customers as interest. Zarossi thought this tiny little bit of theft would buy him time to cover his debts. It's the basis of a scheme that, back in 1908, was called, "Robbing Peter to pay Paul." And this was the first time Ponzi got to see fraud from behind the scenes, but the problem was the police also saw it.

Wendy Pirie: Investigation started, Zarossi fled, one of his employees killed himself, another disappeared.

Lizzie Peabody: Oooo!

Wendy Pirie: And for some reason, Charles Ponzi stuck around. And then, when he realized he was going to be the fall guy, he had to get out.

Lizzie Peabody: Ponzi decided to head back to the U.S. But before he left, he figured, "Might as well buy some new suits!"

Wendy Pirie: So, he stole a customer's checks, forged signature and was prepared to leave Montreal, Canada, but unfortunately, he got caught before he could leave. And he spent three years in a prison in Canada.

[MUSIC]

Lizzie Peabody: Released from prison, Ponzi's name was notorious around Montreal. He couldn't get hired anywhere. So, he dusted himself off and headed back to the States. But, on the way, a friend asked him to accompany a group of Italians across the border. Ponzi knew they didn't have immigration papers, but even so, he said sure. Bad decision. Here's Robert Allison again.

[MUSIC]

Robert Allison: Ponzi is the one who's actually escorting them. And so, this winds him in the Atlanta penitentiary.

[MUSIC]

Lizzie Peabody: After 25 months in prison, Ponzi was a free man. Determined to keep out of trouble, the now 35-year-old went north to Boston. That's where Ponzi met and fell in love with

21-year-old Rose Gnecco. They married after dating for less than a year and Ponzi was asked to join the Gnecco family's fruit and vegetable business.

Robert Allison: And this is a produce company that is struggling. I mean, they have overextended themselves and they wind up actually failing, but this is really an entree into the world of understanding how Boston's economy works.

Lizzie Peabody: The company went bust. Turns out, Ponzi was bad at making money the honest way. The man with million-dollar dreams was in debt, trying to buy a life he couldn't afford. Ponzi pawned three of Rose's diamond rings, and his own gold pocket watch. Then, one day, Ponzi gets a letter from Spain. The letter itself is insignificant, but inside the envelope with it is something that gives him an idea to make him wealthier than he ever imagined.

[MUSIC]

Robert Allison: And it's then that he starts thinking about this scheme, this really elaborate scheme that he is going to use to make millions and promise others that he's going to make the millions.

Lizzie Peabody: Inside the Spanish letter was a curious certificate called an International Reply Coupon. IRC for short.

[MUSIC]

Lizzie Peabody: Here's Postal inspector Daniel Mihalko again.

[MUSIC]

Lizzie Peabody: What exactly is an international reply coupon?

Daniel Mihalko: Yeah, it's something that's not in existence anymore, but at that time, the purpose of the IRC is to allow a person to send someone in another country, a letter along with the cost of the postage for the reply. So, it simplifies the whole mailing and return mailing process.

Lizzie Peabody: Essentially, if you're writing to a friend overseas and you want to make sure they'll write you back, you'd want to include return postage with your letter.

Daniel Mihalko: At that time, you'd have to try to buy foreign postage and all that stuff. And it was real confusing.

Lizzie Peabody: And the IRC looks the same wherever you are.

Lizzie Peabody: So, we have an image of an international reply coupon from the exhibition. It says, "This coupon can be exchanged for a postage stamp or the value of 25 cents or the equivalent of that sum in countries which have adopted the arrangement." And it's got this quite beautiful illustration of a goddess looking woman and she has a letter in her hand and it's like she's carrying a letter from one side of the world to the next.

Lizzie Peabody: And in this simple slice of postal bureaucracy, Ponzi saw his big opportunity.

Daniel Mihalko: This was in 1919. This was after World War I. The European countries were sort of depressed. So, their postage rates were really low. United States' rates were higher. So, Ponzi's scheme, as he purported it to work, was to buy these things up in bulk over in the European countries, get them over to the United States and then somehow cash them in for that money. And that money is what he was promising his investors was going to pay off these big returns.

Lizzie Peabody: Buy cheap. Sell high. It's a simple, legal plan. So, Ponzi walks around his Italian immigrant neighborhood telling his plan to friends, neighbors, anyone who would listen saying it is guaranteed to bring profits. In his pitch, Ponzi promised that in just 45 days, he'd return their money plus 50% more. That's bonkers! Keep in mind that today, a long-term investment only grows about five percent a year and people bought it! Literally. In January 1920, Ponzi had 18 investors, who had chipped in about \$1,800.00. So, cash in hand, you might think Ponzi would go out and buy a bunch of these international reply coupons.

[MUSIC]

Lizzie Peabody: He did not. He went to the pawn shop to get his watch back, but he left Rose's diamond rings.

[MUSIC]

Lizzie Peabody: In mid-February, on the 45th day, Ponzi's investors came around to his office looking for their money. Confident as ever, Ponzi gladly offered to pay them back what he promised, but then he asked, "Why take the money out now? Wouldn't it be better to reinvest your earnings and make even more money?" Ponzi took advantage of a little thing called: F.O.M.O. (Fear of Missing Out.) Here's historian Robert Allison again.

[MUSIC]

Robert Allison: And you see other people having access to great wealth, you think, well why shouldn't I have the same opportunity?

[MUSIC]

Lizzie Peabody: A few people wanted out and Ponzi paid them. They also told their family and friends, who invested with Ponzi as well, and they told their friends. Ponzi's happy customers became his best advertisements.

[MUSIC]

Lizzie Peabody: So, how quickly did Ponzi make money from this scheme? Can you give us a few benchmarks, like at the end of January he had earned x amount versus March or June?

Robert Allison: He is bringing in about a million dollars a month by, um, by March or so. I mean, he has these piles of cash. The cash is coming in so fast that they have baskets in the office that are filling up with cash.

Lizzie Peabody: What?!?

Robert Allison: The police have to hire special details to keep track of what's happening on School Street because you have these crowds of people coming in to either invest with Ponzi or to get paid by Ponzi.

Lizzie Peabody: So, he must be feeling pretty good about himself at this point.

Robert Allison: He is. He is. He's a celebrity. I mean, he and his wife buy a mansion out in Lexington and every morning he is chauffeured in a Locomobile, which is a luxury car. It's actually a car produced individually. So, he has a Locomobile that chauffeurs him in and crowds greet him on the street.

Lizzie Peabody: In late June, Ponzi had planned to visit Italy with Rose, so she could meet his mother, but he worried that his investors would see him leaving the country and assume he was fleeing. And honestly, he probably should have. Instead, Ponzi sent his mom \$5,000.00 for a first-class ticket and told her to sail to Boston. He finally had the life he'd always felt destined for. The mansion and the fine suits. He loved being rich, and he loved the way people treated him like a hero.

Robert Allison: And that's another thing you want to do if you want to pull off something like this is look the part.

Lizzie Peabody: Hmm.

Robert Allison: So, he does look like someone who is definitely made it and he is charming. And if anyone expresses doubt, he is so reassuring to them. I mean, people will come to him and say, "I'm worried. I've heard things. I want to take my money out." And he will then become very apologetic, say "Well, I wouldn't want you to have any doubts. We'll try to give their money back." And then they feel badly for having suggested Mr. Ponzi isn't on the level. So of course, they do keep their money with Ponzi.

Lizzie Peabody: Hmm!

Robert Allison: So, he wants people to be happy.

Lizzie Peabody: But nobody was happier than Charles Ponzi.

[MUSIC]

Lizzie Peabody: As June turned into July, he sat on a fortune. Everybody got 50% profit on their investment forever, and they all lived happily ever after.

[MUSIC]

Lizzie Peabody: Syke! I think we all know there's only one way this ends. After a quick break, we hear how Ponzi lets his mom down one more time. Stick around.

[MUSIC]

Lizzie Peabody: So, at this point in our story, it's early July 1920. And Charles Ponzi is worth millions! And he's done it in just six months, under the guise of buying International Reply Coupons cheap in Europe and selling them in the United States for a much higher price. He

promises his clients he can return their money, plus 50% more in just 45 days. And if they invest with him for 90 days, he can double their original investment.

[MUSIC]

Lizzie Peabody: But, as you probably suspect, there's no evidence that Ponzi bought a single International Reply Coupon. In fact, to generate this much wealth off coupons would have been nearly impossible. Postal Inspector Daniel Mihalko told me that in July...

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Daniel Mihalko: When it got to a point where he was making a million dollars a day, it would have required ships the size of the Titanic to be filled up with international reply coupons for the scheme to actually work.

[MUSIC]

Lizzie Peabody: Woah!

[MUSIC]

Lizzie Peabody: Ahem. That was the sound of my mind colliding with an iceberg. What Ponzi was actually doing with all the money people gave him was very similar to the, "robbing Peter to pay Paul" scam he saw firsthand in Montreal, but today, we'd call it a Ponzi scheme. Here I am talking with finance expert Wendy Pirie again.

Lizzie Peabody: What is a Ponzi scheme?

Wendy Pirie: A Ponzi scheme is a scheme where you entice initial investors with a promise based on something that has substance. Okay? You've got some sort of story that you can tell which would explain how you can promise these kinds of returns.

Lizzie Peabody: In Ponzi's case, that's his International Reply Coupon story.

Wendy Pirie: So, there's a plausible scheme underlying it. As long as you're getting some new investors, you then return the money from the new investors to the original.

Lizzie Peabody: You use the money from person 2 to pay person 1.

Wendy Pirie: And you assume that the original investors are not going to be taking their money out, once they get their return.

Lizzie Peabody: And along the way, you get three new investors, because person 1 is thrilled they made so much money and everyone tells their friends.

Wendy Pirie: And as long as you're getting new investors, upon new investors and nobody is questioning your premise, you can keep going.

Lizzie Peabody: And to put a really fine point on it, what's illegal about that?

Wendy Pirie: Well, you aren't earning anything and so you're essentially borrowing money and paying it back with other people's money. So, it is illegal. If you were actually earning money and we're paying it back, if you actually had found the way to do this, there would have been nothing illegal.

Lizzie Peabody: So, without the postal coupons, Ponzi's scheme is definitely illegal. He's stealing people's money, spending some of it, paying out little bits here and there to people who want to cash out, and then letting the rest sit in a bank account and collect interest for even more profit for him. And it's a little infuriating to think about this part of the story. By July, people stood in lines down the block, waiting hours to give Ponzi their money. They thought they were getting astronomical returns on their investment; instead, they were making Ponzi rich.

[MUSIC]

Lizzie Peabody: By July 1920, Ponzi claimed to be worth \$8.5 million, more than \$110 million today and he had about 15,000 investors. During this time, Ponzi's growing his fraud scheme beyond Boston. Here's historian Robert Allison.

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Robert Allison: And he does set up satellite offices in Connecticut and New Jersey and other places. So, it's something that starts here in Boston and then grows throughout the Northeast.

[MUSIC]

Lizzie Peabody: And since Ponzi's reputation is so important to the success of his scam; after all, a Ponzi scheme requires a steady stream of victims, in late July, he hires a publicist named William McMasters to make sure everyone would know the name, "Ponzi!"

Robert Allison: And the publicist turns out to have some questions. Like one question is, "How come this guy can double his money in 90 days, but at the end of every day, he takes all of this cash to a bank, a bank that pays 5% interest?"

Lizzie Peabody: Basically, the publicist wonders, "Why isn't Ponzi putting his own money into his business, if it really guarantees these returns he's claiming?"

Robert Allison: And the publicist also, you know, is curious all of the furniture in Ponzi's office is rented and the guy from whom he rented it periodically shows up to demand that he be paid. Well, how come he has, you know, millions of dollars coming in every month, but he can't pay this guy for rented furniture? Why doesn't he buy the furniture...

Lizzie Peabody: Hmm.

Robert Allison: ...if this whole thing is on the level? It's these kinds of questions that lead McMaster around the corner to The Boston Post, which is one of Boston's dozen or so newspapers.

Lizzie Peabody: The idea that Ponzi's own publicist tips off the press is a bit ridiculous. It's like getting sued by your own lawyer. So, The Boston Post starts investigating and they publish some damning articles. A reporter checks with the New York City postmaster about Ponzi's, cover story. And the Post's July 30th article headline is Ponzi's worst nightmare. It reads,

“Coupon Plan is Exploded: New York Postmaster Says Not Enough in Whole World to Make Fortune Ponzi Claims.” The paper’s editors print the entire story in bold, as if they’re shouting it. Then, Clarence Barron, owner of another Boston paper, accuses Ponzi outright of running a scam, but he does it in a xenophobic way that makes Ponzi even more popular among Italian-Americans.

Robert Allison: He sees through it almost immediately, but then he says, “Well, of course you couldn't expect someone like Ponzi to understand banking because he's an uneducated Italian.” Well, if you are an uneducated Italian, you now know you have to show your solidarity by investing with Ponzi...

Lizzie Peabody: Hmm!

Robert Allison: ...and show this Barron guy.

Lizzie Peabody: Boston’s Italian immigrant community rally around Ponzi. One day, not long after these articles come out, Ponzi pulls up to his office.

Robert Allison: And there was a crowd gathered there and someone says to him, “Mr. Ponzi, can you tell us who were the greatest Italians who ever lived?” He says, “Well, Christopher Columbus discovered America and Marconi discovered radio.” And someone says, “And Ponzi discovered money!”

Lizzie Peabody: He was like a folk hero, but, by this point, state and federal investigators couldn’t ignore Ponzi anymore. With his business increasingly recognized as a scam, the banks investigated.

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Lizzie Peabody: Postal inspectors investigated and that was pretty much it for the Ponz.

[MUSIC]

Lizzie Peabody: On August 12, 1920, Charles Ponzi turned himself in, ending one of the most sensational fraud schemes in American history. The rise and fall of Ponzi took a total of nine months. The headline in next day’s Boston Post, Friday the 13th, read, “Ponzi Arrested: Admits Now He Cannot Pay – \$3 million short.” That’s almost \$40 million today.

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Lizzie Peabody: Ponzi was charged with mail fraud, based on the fact that he used the mail to commit his crime. It feels a little similar to how Al Capone was charged for tax evasion. It’s like the feds shrugged and said, “Well, we can’t nail you for the real crime, yet. But in the meantime, go to jail for part of your crime.”

[MUSIC]

Robert Allison: And Ponzi, on the advice of his lawyer, pleads guilty to the mail fraud charge.

Lizzie Peabody: Hmm.

Robert Allison: And the theory is this. We'll plead guilty, you'll get five years in jail and by that time, everyone will have forgotten about you.

Lizzie Peabody: (Laughs).

[MUSIC]

Robert Allison: And so, that's the safe thing to do.

[MUSIC]

Lizzie Peabody: The aftermath of Ponzi's scheme left his victims devastated. Half a dozen banks crashed. Tens of thousands of people invested their money with Ponzi and only got back about a third of what they paid. Some lost their entire savings, others their homes. Some of Ponzi's early investors who he paid out, even turned their money in, to help the recovery. Ponzi pled guilty and served four years on mail fraud charges. When he was released, he was convicted by the state for his real crime: theft. He spent another 7 years in prison.

[MUSIC]

Lizzie Peabody: In 1934, Ponzi was deported back to Italy. Rose stayed in Boston.

[MUSIC]

Lizzie Peabody: In his later years, Ponzi scraped by, but he couldn't come up with another quick buck. He died alone and poor. He lost just about everything, but he never lost his belief that he would come out on top.

Robert Allison: There's a photograph of him lying in bed in this poor house and he has a big smile on his face and his last words were, "Everything is going to be great."

Lizzie Peabody: Wow!

Robert Allison: It's a remarkable thing!

[MUSIC]

Lizzie Peabody: Charles Ponzi was clearly one of a kind, but Wendy Pirie says, "We can draw some universal lessons from his story." What's, what's the takeaway from Charles Ponzi story? If he's a cautionary tale for anything, what would that thing be?

Wendy Pirie: Uh, pay attention if it sounds too good. You know, it's like the old saying, "If it sounds too good to be true, it probably is." Um, people that promise returns, that's very hard to do. There's always volatility in returns and sometimes you lose and sometimes you win. You really need to realize that there are scammers out there. Be a little cautious.

Lizzie Peabody: Postal Inspector Mihalko again.

Daniel Mihalko: There's so many scammers out there and we can't arrest everybody. So, what we do is we, we come up with different types of crime prevention, fraud awareness campaigns to educate consumers about frauds, so that they don't become victims because fraud, if you think about it, is one of the few crimes we actually have to participate.

Lizzie Peabody: Hmm.

Robert Allison: You can get a solicitation through the mail, but if you don't respond, you're not going to be a victim.

[MUSIC]

Lizzie Peabody: Before there was the Ponzi scheme, there was, "Robbing Peter to Pay Paul." And before that, scams, frauds, grifts and cons from time immemorial were used to make a quick buck. Different versions of these scams still exist today. Our best bet is to know what they look like, and stay vigilant.

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Lizzie Peabody: You've been listening to Sidedoor, a podcast from the Smithsonian with support from PRX.

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Lizzie Peabody: For more information on the crimes described in the Postal Museum's, "Behind the Badge" exhibition, check out our newsletter at si.edu/Sidedoor.

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Lizzie Peabody: It's that time of year when people gather with friends and families. So, if you find yourself at the dinner table next to Weird Uncle Larry without much to say: recommend Sidedoor! Tell him about your favorite episode! Who knows? Maybe he's planning his own Ponzi scheme? This episode might help prevent future family drama. And we'd really appreciate your help in getting the word out!

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Lizzie Peabody: Sidedoor is made possible with help from people like you! Your generous support helps make all the amazing work you hear about at the Smithsonian possible.

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Lizzie Peabody: Special thanks to Daniel Mihalko, Wendy Pirie and Robert Allison for their help telling this story. We also relied on the book, "Ponzi's Scheme: The True Story of a Financial Legend" by Mitchell Zuckoff. Thanks also to Smithsonian Librarian, Alan Katz, and also to Cassius Adair and Jenn Stanley.

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Lizzie Peabody: Our podcast team is Justin O'Neill, Jason Orfanon, Michelle Harven, Nathalie Boyd, Caitlin Shaffer, Jess Sadeq, Lara Koch, and Sharon Bryant. Episode artwork is by Greg Fisk. Extra support comes from John, Jason and Genevieve at PRX. Our show is mixed by Tarek Fouda. Our theme song and other episode music are by Breakmaster Cylinder.

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Lizzie Peabody: If you want to sponsor our show, please email sponsorship@prx.org.

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Lizzie Peabody: I'm your host, Lizzie Peabody. Thanks for listening.

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Lizzie Peabody: Sort of on the flip side, you've given us some advice for how to avoid being scammed, but if you had any advice for someone planning a Ponzi scheme, what would that be?

Wendy Pirie: (Laughs). Don't do it. (Laughs).

Lizzie Peabody: (Laughs).

Wendy Pirie: But if you were going to do it, you know, you would come up with the plausible story, convince a few people, get them invested, make sure you return to the first people what you promised, and you'll get more and more. And then, just wait for the authorities to arrive at your door.

Lizzie Peabody: (Laughs).

Wendy Pirie: It's going to happen. You're going to jail. (Laughs).

Lizzie Peabody: (Laughs).