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CONFESSIONS OF A WALL STREET INSIDER

A CAUTIONARY TALE OF RATS, FEDS, AND BANKSTERS

By Mike Kimelman



*Editor's Note: We have been friends with Michael Kimelman for over a decade. In November of 2009, Federal agents burst into his home in Larchmont and charged Kimelman with one count of insider trading. Michael, who maintained his innocence, turned down a "sweetheart" plea deal that would have allowed him to avoid prison without cooperating, and ultimately served 21 months in Federal prison after being convicted at trial. His book *Confessions of a Wall Street Insider: A Cautionary Tale of Rats, Feds and Banksters* is available on Amazon and bookstores everywhere. We are pleased to include an excerpt.*

A couple of days after my sentencing, and two months before I had to surrender myself to federal authorities at a prison in central Pennsylvania, Peter Lattman from the *New York Times* called me up. He said he was writing a story on me and requested an interview. I was hesitant, but also did my due diligence. Lattman, a seasoned, savvy, and serious journalist, struck me as someone I could really talk to. I mean, what was the worst that could happen: He writes a scathing piece and makes me look bad — me, whose face had just been on every major news network in the United States and beyond, beneath the all-capped word: GUILTY! I'd tossed the dice over much bigger things in my day, including my very own freedom; this one seemed about as harmless as could be.

As I learned writing this book, it's as much about what you leave out of a story as what you decide to put in — and this was clearly the case with the Lattman article. Sommer was firmly against it, believing all media was bad media, but Moe, to a degree, felt that humanizing the so-called "beast" might not be a bad thing, especially in light of what the federal prosecutors and the FBI had done to make me look like a monster.

Lattman's article made the rounds. Some of the reactions were expected, others were definitely not. Lisa, at least, got great exposure — mostly because of her flattering picture. Long red hair, curvy body in a clingy dark dress, and porcelain skin have a way of piquing a interest. Suddenly "when does Kimelman report" became the question du jour, as the underlying tenor was "Perhaps poor Mrs. Kimelman will need some company," as at least one FBI agent reportedly noted.



Preet himself said he was making the article mandatory reading for all Assistant US Attorneys, so they would understand and appreciate the power they have and the lives they can impact.

That last line of mine in Lattman's article is one of the truest, most painful things I have ever said, let alone thought. "*It's the kids that'll kill you.*" Concern for my children was all that went through my head as I sat in the back yard, waiting to report. It stayed with me through the long quiet hours, the days and nights, the weeks rolling into months, lying on my cramped prison bunk, hands behind my head, staring at the peeling ceiling. And it stays with me now, three years on, a convicted felon but a free man.

In the article, Lattman mentioned that we still had yet to tell the kids. Looking back, I'm not even sure when exactly we told them. It was such an emotional time. Maybe it was that October, right after the sentencing, or closer to "departure time," in December, when Lisa and I sat down on Cam's toy-cluttered floor and finally talked to him and to Syl about it. (Phin was simply too young to understand, and too disruptive.) Among the Tyco trucks, G. I. Joes, and stuffed animals, I tried to explain to my children that, in life, we are held responsible for the things we do, and sometimes for things our friends do. I said it's important to surround yourself with good people. I explained that Daddy had chosen some of his friends poorly, and they had done some bad things. Maybe not *very* bad.

They didn't hurt anyone, or kill anyone. But they did cheat at the game we were playing, ignoring the agreed-to rules. And because I was their partner, I had also been held responsible for the things they'd done. So now — I told them — I have to go away . . . to a prison camp. I will probably be gone about a year. But I *will* be back, and life *will* be normal again. Mom will be here, Grandma and Grandpa, and Chris (Lisa's sous chef, who became a true friend to our kids), Brett (another Iona grad and occasional prep chef), and Annette (or "Netta," our Czech babysitter). All of them will be here. And you can call Daddy and talk to him on the phone every night, and we can write letters . . . and . . . And there was a lump of pain in my throat the size of a baseball, which no amount of swallowing would get rid of.

I don't know how I got through that without breaking down and bawling. It was the hardest thing I've ever had to say or explain to anyone, ever. It was also hard to process their looks of childish confusion. The gently furrowed brows. The utterly innocent frowns. They did not cry at the time — they were, I think, still processing — but they were clearly saddened.

I encouraged them to ask questions, as Sylvie's therapist had suggested. (And let's be clear: the *only* reason Syl ever needed to start seeing a therapist was because of my arrest, trial, and subsequent incarceration. That's on me.)

As it turned out, the kids' questions would come later, in the following weeks. They were heartbreakingly simple, Cam's especially. "Can you explain why you have to go?" or "Why can't you just stay with us and be my dad?" or even just "Why?"

Oh Cammie, I will always be your dad. But the "Why?"

That was the question. That was what I was still trying to figure out myself.

The more challenging questions came from Syl: "If you didn't do anything wrong, then why do *you* have to go to this . . . camp?"

Talk about a rock and a hard place. Her queries forced me to explain the difference between "I didn't do anything wrong" and "I did something that was later ruled illegal." That can be a lot for a kid to try to understand.

Again and again, as I spoke with my children, I found myself going

back to an old refrain.

"I did something wrong because I chose bad partners. I knew they weren't nice people, but I went into business with them anyway because I thought they could make me money. That's called 'greed,' and it's something I hope you won't fully understand for a little while."

I might have told them what Lou Mannheim told Bud Fox in the movie *Wall Street*: "The main thing about money, Bud, is that it makes you do things you don't want to do."

Looking into their confused eyes, it finally crystallized for me in a way that pride and stubbornness hadn't allowed it to in the previous two years while I agonized over the decision to fight or fold. In this waking nightmare, the dark alleys were mostly of my own making.

It would now fall entirely to me to walk out of them on my own, and make sure my children had a father when this was all over.



Chapter Twenty

Surrender

“Sometimes the wrong choices bring us to the right places.” —Unknown

While I was finishing this book, one of the biggest hits on TV was the Netflix original series *Orange Is the New Black*. Anyone even remotely familiar with the plot—which is based on a true story (at least it started that way) — might wonder if there are parallels to my own trip upriver. In the show, an educated woman is sentenced to a minimum security prison. Out of her element, she is forced to adapt to a strange, surreal, unnatural, sometimes dangerous and often inhuman world. She’s even ratted out by her former partner, who also ends up in the same prison, making for an awkward situation, to say the least.

All of these things were true with me.

And yet, I was also miles away from *Orange Is the New Black*. First, Piper Kerman, who penned the memoir of the same name, was actually guilty of a crime. True, she was lured into breaking the law by her lover, Cleary Wolters, who was a much bigger fish among international money-laundering drug smugglers. But being blinded by love, or lust, will not change the basic legal facts of Kerman’s case. And as I have tried to make clear — and as the evidence amply demonstrates — Zvi Goffer did not lure me into a life of crime. He simply decided that he would break the law and then, once arrested, would not do a goddamned thing to help me once I had been taken down, despite his knowing full well I wasn’t part of his scheming. For almost two years — two fucking YEARS, from arrest to trial to sentencing — Zvi could have come forward and tried to make things right, to say I was not involved, that he never told me he was trying to bribe lawyers, etc. And this is why Zvi’s words to Pete Bogart, outside the courtroom on the eve of the verdict — “*Why is Mike even here?*” — will haunt me for years to come.

When I was going through them, experiencing them, I believed that my prison experiences were novel and unique. They weren’t.

What I now understand is that prison is about leveling everything, regulating everything, and wearing you down. What takes over, behind the barbed wire, is the mind-numbing monotony and depression — and *all that time on your hands*. It gives you an uncanny, unique ability to reflect on your poor choices, with no real distractions except getting through the day in one piece. Some cold evenings, your internal monologue becomes the greatest punishment of all.

That, and separation from the ones you love.

It took me three interminable days at Lewisburg FPC (official name: United States Penitentiary, Lewisburg) until I finally found the courage to take a shower. Every kid that grew up with a television set knows about how you should never drop your bar of soap in prison. I learned the hard way that walking into the shower in only a towel and flip flops was also a very poor idea.

“Hey, Jew with the tattoo, you got a nice ass,” was the immediate response from the peanut gallery.

A guard pulled me aside, warned me that I was “inviting trouble,” and said to cover up until I was actually underneath the showerhead.

Clearly, I had a lot to learn. I was prisoner #62876054. They didn’t

tattoo it onto my forearm, but in a metaphorical sense it sure felt that way — and still does. Even today, I can’t say or hear my number without breaking into “Look Down” from the musical *Les Misérables*.

That I had even attended a Broadway show differentiated me from 99 percent of the other inmates in the facility.

Located in the Susquehanna Valley of central Pennsylvania, Lewisburg was minimum security and gave us views of a lush landscape that always struck me as something out of a Van Gogh. Not quite Saint-Remy de Provence, but we did have our share of starry nights. I wondered why the government built prisons in such beautiful (and relatively valuable) locations. Sing Sing, nestled on the bucolic banks of the Hudson River, is another example. “The Camp,” as Lewisburg was known within, was also not too far from my alma mater, Lafayette College. With a rival school that was our college football nemesis literally visible in the distance on clear days, it was a stark reminder of how far I had fallen.

Lewisburg had seen some heavy hitters over the years. Gotti, Capone, and Hoffa were just a few who had called it home. Illustrious ghosts who roamed the halls unseen.

On my first day on the inside, my deer-in-the headlights expression spoke volumes. One observant inmate smiled and asked, “Hey, did your lawyer lie to you too, and tell you that this was a white-collar camp?”

Yes, I confirmed. He had.

