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Madoff Fraud Case Leads to Collapse of Justice-Reform Advocate

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By Philip Boroff



Dec. 16 (Bloomberg) -- The arrest of New York money manager **Bernard Madoff** claims one of the most active supporters of criminal justice reform in the U.S.

The Manhattan-based **JEHT Foundation** (pronounced 'Jet') said yesterday that it stopped making grants and will close in January. In 2006 alone, it gave away \$26.4 million, according to its most recent publicly available tax return.

"They are one of the best progressive foundations around," said New York lawyer **William Zabel**, a partner with Schulte Roth & Zabel and a director of the foundation. "There are so many sad

stories out there, but this is one of the worst."

JEHT -- which stands for Justice, Equality, Human Dignity and Tolerance -- harnessed the fortune of New York real estate magnate Norman F. Levy, who died in 2005. For three decades, the Levy family entrusted money with Madoff, whom the U.S. Securities and Exchange Commission accused last week of operating a multibillion-dollar Ponzi scheme.

Levy's daughter, Jeanne Levy-Church, a New York-based producer of independent films, contributed \$23.6 million to the foundation in 2006. The Betty and Norman F. Levy Foundation contributed \$9 million in the same year.

The foundation's 24 employees will lose their jobs, said JEHT President Robert Crane. Crane said he didn't know the details of Levy-Church's finances except that she could no longer fund the foundation. She was traveling yesterday and couldn't be reached for comment.

Electoral Reform

While the foundation distributed money to organizations such as Human Rights Watch and groups advocating electoral reform, it mainly focused on criminal justice because it's a neglected area.

"The board felt incarcerated or formerly incarcerated people were among the most underserved population," Crane said. "There were very few foundations focusing on that."

New York-based **Vera Institute of Justice** has received millions of dollars from JEHT since the foundation was established in 2000. Vera Director Michael P. Jacobson described JEHT as a "hard-nosed" foundation focused on achieving results.

"They really have an interest in government changing policy," he said.

In 2007, the Kansas Department of Corrections received a \$4.7 million grant from JEHT for a program to aid offenders once they're released to reduce recidivism.

With a \$900,000 grant, Vera is working with prosecutors' offices in several states, researching the role

of race in how defendants are charged.

"I've had better days," Jacobson said of JEHT's collapse. "It's not like someone will step in and fill that gap."

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