

Ponzi: The Man and His Legendary Scheme. *By Mitchell Zuckoff.* New York: Random House, 2005. xiii + 396 pp. Index, notes, bibliography, photographs. Cloth, \$25.95. ISBN: 1-400-06039-7.

Reviewed by Edwin J. Perkins

This review is fairly brief and unabashedly breezy, because the author has not, in truth, aimed for a scholarly readership. Nonetheless, I can endorse the book from a certain tangential perspective. I learned something I never knew before. All of us have read lurid press accounts about financial scandals, described generically as “Ponzi schemes.” There were two or three frauds of that variety uncovered in the pages of my local newspaper over the last twelve months. Therefore, a fair amount of universal curiosity must exist about who Ponzi actually was, and about when and where he managed to operate on such a grand scale for so long.

Mitchell Zuckoff, a reporter with the *Boston Globe* and a journalism professor at Boston University, fills in all the blank spaces in this biography of Charles Ponzi, the Italian immigrant whose infamous swindle has placed his name prominently in modern dictionaries. The author relies heavily on contemporary newspaper accounts, which were extensive, and a limited number of secondary sources. Zuckoff is an accomplished author and a professional storyteller, and he moves deftly through this titillating biographical material.

After arriving penniless in the United States in 1903, Ponzi drifted about to various locales. He was imprisoned twice for nonviolent criminal activity—once in Canada and for a second term in the federal prison in Atlanta. In 1919, in Boston, Ponzi hatched his most famous “get-rich-quick” scheme. His original idea had at least a hint of legitimacy: he planned to exploit differentials in the prices of international postage stamps sold at home and abroad. He promised a 50 percent return on monies invested for a period of three months—or 200 percent over the course of the year. Surprisingly, U.S. postal officials, local prosecuting attorneys, and several Boston newspapers were suspicious of Ponzi’s operations almost from the outset. But until he was finally unable to meet the payments on his maturing liabilities with fresh inflows of funds from new

investors, officials were powerless to intervene in his dubious, and rather nebulous, business venture.

For a man with little formal education, Ponzi was a highly intelligent scam artist and an absolute master at public relations. He kept the hounds at bay for nearly a year. In the end about twenty thousand people lost, on average, about two-thirds of the millions invested. Ponzi spent most of the next fourteen years in prison, and upon his release in 1934, he was promptly deported to Italy.

Every serious business historian deserves periodic opportunities for light recreational reading, and Ponzi is the perfect choice. You can pack the paperback for the next long airplane trip or, perhaps, take it along to the beach next summer. Once you have finished, this entertaining book will make a welcome gift for friends and relatives. It's fun and informative. Plus, you can spice up next semester's boring lectures with amusing asides about the notorious Charles Ponzi. In the invariably profusely positive language of hometown Hollywood: "I loved this book."

Edwin J. Perkins is professor of history at the University of Southern California. He is the author of Wall Street to Main Street: Charles Merrill and Middle-Class Investors (1999).