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**From:** Richard Kahn <[REDACTED]>  
**Sent:** Monday, February 6, 2017 4:11 PM  
**To:** Jeffrey Epstein  
**Subject:** Fwd: (BN) 'Hamilton' Ponzi Schemers' Victims Said to Include Tudor Jo

Looks like there are many not to shrew= billionaires....

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'Hamilton' Ponzi Schemers'=Victims Said to Include Tudor Jones  
2017-02-06 10:00:00.17 G=T

By Matt Robinson, Kathe=ine Burton, Zeke Faux and Christian Berthelsen

(Bloomberg) -- When U.S. authorities busted a P=nzi scheme that centered on marked-up tickets to the hit Br=adway musical "Hamilton" last month, prosec=tors described phone calls about a "big name"=investor who'd demanded his money back.

&nbs=; As it turns out, there were several big names -- including billionaires Paul Tudor Jones and Michael Dell, as well as an</=pan> executive at Och-Ziff Capital Management Group -- among the m=re than 125 people who had unwittingly poured cash into the=/span> sprawling scam, according to people with knowledge of the</=pan> matter.

The ringlead=rs would approach people and encourage them to put money in=a pool to buy blocks of tickets for the hottest concerts an= plays, the government said. The most prominent was "amilton," whose popularity pushed prices to the highest in Broadway history. Victims were promised their money back and at

least a 10 percent profit.

&n=sp;It's rare that any Ponzi scheme ensnares business luminaries so highly skilled in the art of scrutinizing in=estment pitches. But to veteran securities lawyers, the case has some of the hallmarks of an affinity fraud like Bernard Madoff's -- in which a con man's familiarity can help inst=ll trust, even with a pitch that sounds too good to be true=

&nbs=; Hamilton Tickets a 'Give=way'

◆=9CWhen the promise of a quick buck is being made by someone

a former Securities and Exchange Commission enforcement=attorney now in private practice. Still, "the idea t=at there were blocks of Hamilton tickets available for purc=ase should have been a giveaway."

&=bsp; Three men have been charged. One is Joseph Meli, a Ne= York event promoter and Hamptons socialite who once ran a \$=,000-a-ticket concert series in the enclave, featuring&nbs=; Billy Joel,

Prince and James Taylor. Photos show him partying with executives and celebrities including Renee Zellweger. His co-defendant, Steven Simmons, was allegedly the middleman tasked with raising money from investors for hedge funds. Both appeared in court on Jan. 27 and remain free on bail.

A third, Mark Varacchi, pleaded guilty to fraud on Wednesday and was released on \$250,000 bail. Varacchi was an investment fund manager whose firm was based in Connecticut. He turned to Meli to help repay \$4.2 million he'd taken from investors, according to prosecutors. It isn't clear how he met Meli or the others. Meli and Simmons haven't entered pleas yet. Meli's lawyer called the allegations untrue while Simmons' lawyer declined to comment.

Hedge Fund Informant

The criminal complaint described an informant who contacted the Federal Bureau of Investigation through his attorney late last year, saying he'd conspired with Meli and others to raise money under false pretenses to pay off an earlier investor. He offered to help with the investigation and became an informant, according to the complaint. The informant was Varacchi, according to people with knowledge of the case.

The scam went on at least two years, according to a parallel civil case the SEC filed against Meli and Matthew Harriton, Meli's business partner. Harriton couldn't be reached for comment, and the men's companies didn't respond to requests

for comment. Harriton wasn't named in the criminal case.

Meli, 42, used his music connections to ingratiate himself with Wall Street traders, according to one of the people with knowledge of the case. He hung out at the exclusive Bridgehampton Tennis and Surf Club and he'd get tickets to "Hamilton" and other shows for his friends, the person said. Meli lied to at least one victim, claiming he had access to another 35,000 tickets for "Hamilton" and could sell them at a markup, according to authorities. He really did contact the show's producer to resell bulk tickets but was rebuffed, they said. In August 2015 when the show moved to Broadway, they said Meli talked to the "big name" investor, offering to introduce him to the show's producer. He repeatedly put it off and while the meeting never happened, the investor sent \$3.5 million to Meli's company after several weeks to help buy tickets.

Och-Ziff as Bait

Meli also lured potential victims by claiming other high-profile investors including Och-Ziff had bought in, according to people who said he approached them. One said he was shown a contract with the hedge fund's name on it. Executives there considered investing on behalf of clients but passed, according to a person with knowledge of the firm.

However one Och-Ziff executive, Boaz Sidikaro, was friends

with Meli and invested personally, according to people familiar with the case. Sidika didn't respond to a request for comment. According to his LinkedIn profile, he's an executive managing director at the firm, where he's worked for almost 20 years.

To be sure, not every investor was necessarily pitched a chance to profit on "Hamilton." The SEC says Meli and Harriton gathered money for four investment vehicles. The first promised to resell tickets for a variety of "high-profile events," the agency said without identifying them. But the musical featured at least some pitches for the three other vehicles, it said.

Dell has a net worth estimated at \$19.6 billion according to the Bloomberg Billionaires index, and the company he founded, Dell Technologies, is the world's largest closely held tech company. Jones runs the \$11 billion Tudor Investment Corp., one of the oldest hedge funds. He helped start the Robin Hood Foundation, a charity whose goal is to end poverty in New York City.

Shell Game

There's no indication the investors were aware of a scam and their spokesmen declined to comment. Jim Margolin, spokesman for Manhattan U.S. Attorney Preet Bharara, declined to comment on the case.

While Ponzi schemes can last years or even decades, they can't go on forever. According to prosecutors, Varacchi recorded calls in December in which Meli said he was running a "shell game," taking money from new investors to pay off old ones. Meli said he'd just gotten another \$7 million from one, enough to pacify the big investor so he wouldn't raise alarms.

"I was able to avoid it by shell-gaming it," Meli said, according to prosecutors. "But I'm running out of that game too."

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