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## Lessons from a swindler

### The fact that Bernard Madoff fooled so many for so long shows that we know how to answer questions — but not how to ask them

By Joseph Ganem

3:15 PM EST, February 23, 2011

It has been two years since Bernard Madoff's global Ponzi scheme unraveled, and the fallout continues to make news. The courts must separate the scammed from the scammers; those with ill-gotten gains from those who were robbed; those who didn't know, from those who should have known, from those who did know. As is the usual case in the court system, the murky question of state of mind is often at issue. Did Mr. Madoff's scam feed off of greed or wishful thinking? Did he exploit simple naiveté or — in the case of those who should have known better but preferred not to acknowledge reality — incredulity? Were his abettors negligent or criminal co-conspirators?

Probably all of the above were true to varying degrees for various people. But there is one universal that is often overlooked. Mr. Madoff's scam flourished because many people confuse knowing for understanding. If you know, you can answer questions on a subject — but to understand, you have to ask questions. This confusion between knowing and understanding is perpetuated by our educational system, which focuses on teaching students how to answer questions but provides little instruction on how to ask them.

Many people knew the details of Mr. Madoff's investment results but few understood them. Year after year, Mr. Madoff generated steady, double-digit returns for his investors, regardless of market conditions. He possessed such a broad technical knowledge of investing and stock markets that he served for a time as chairman of the NASDAQ. His impressive credentials and accomplishments dazzled smart, savvy and wealthy people so much that few asked the question: Did his investing results make any sense?

The ability to question the reasonableness of a claim or result should be one of the most important outcomes from an education. It requires stepping back to look at context and then asking broad

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questions about limits and possibilities. However, the traditional education process focuses on cramming students with facts and technical knowledge that can be tested.

But asking the question of reasonableness is surprisingly not that hard, although it does require a different way of thinking. For example, Harry Markopolos, who spent years trying to blow the whistle on Bernie Madoff, could spot the scam by asking a very simple question. Mr. Madoff claimed that he generated his returns with a proprietary method that involved buying and selling options. But Mr. Markopolos realized that for such a method to work, Mr. Madoff would have to buy more option contracts than existed, which is a logical impossibility. Mr. Markopolos then queried the major options brokers in the United States and found that none of them had any dealings with Mr. Madoff.

The education lesson is that the ability to ask simple questions about reasonableness is more important than knowing lots of detailed information. In fact, our society is changing in a way that will render as nearly useless the kind of test-based knowledge taught in schools. The pocket-sized smart phone, which is now a common accessory, puts virtually all the world's accumulated knowledge at your fingertips, all the time, accessible by typing a few keywords and clicking a button. In the future, we will have to memorize very few facts. However, we will have to ask a lot of questions — because the search engine view of the world is sliced, diced and reordered without much regard to context or credibility.

Today, it is more important than ever for students to be trained to see the whole, to determine context and, most importantly, to question. Failure to question leads to tragic consequences in many areas of vital public concern, not just for the victims of Bernie Madoff and his ilk. There are, for example, the millions of homeowners underwater in their mortgages because many people didn't understand the mathematical impossibility of home prices rising by more than 10 percent per year forever and didn't question that assumption. There are the deadly resurgences of nearly extinct childhood diseases because too many people mistakenly believe in an autism-vaccine link for which there is no credible scientific evidence — and don't question that belief.

The focus in our schools to teach children how to answer questions should be replaced with a focus on teaching children how to ask questions. The foremost question being: Is it reasonable?

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