

00:00:01.93

astudyincrime24

Mark, welcome to the show.

00:00:04.79

Mark Varacchi

Scott, thanks very much. Thank you for having me.

00:00:07.40

astudyincrime24

Hey, my pleasure. Glad to be here. I'm glad that you're here. um Let's talk about your company. Your company at the time was Sentinel Growth Fund Management. How did you come to start the company and tell me a little bit about what kind of services did you guys provide?

00:00:23.86

Mark Varacchi

Sure, we started the company in 2013 as a hedge fund that cater to what would be called separately managed accounts. And the platform was originally created in order to be a spot that emerging hedge fund managers could come and early on in their performance in their career, could run their fund on the platform, gather performance and and hopefully raise assets over that time.

00:00:58.67

astudyincrime24

So hedge funds are, they're particularly speculative, aren't they? I mean, they're for people, they're really for only folks that can afford to lose a lot of money. Is that is that accurate?

00:01:08.50

Mark Varacchi

So when you when you go to invest in a hedge fund, there are a couple of sets of documents. There are subscription agreements that you receive and ah usually a ah memorandum that you have to go through. it And I will tell you that.

00:01:22.72

Mark Varacchi

anybody especially people not in the industry if you read through that memorandum it is nothing but beware caveat emptor you may lose everything but the legalities of those documents are basically to say we are going to cover everybody's behind as long and here's my caveat as long as the manager does exactly what he says he's going to do with the money, but we want to let you know you could lose it all, not to fraud, but to performance.

00:01:56.82

astudyincrime24

Right. Well, speaking of losing it all to fraud, let's talk about the

SEC. We're going to be talking about the Securities and Exchange Commission here on and off. And for people that are not familiar with that government agency, can you just kind of give me a brief ah definition of who the SEC is and and what they regulate?

00:02:19.30

Mark Varacchi

So the SEC is the gatekeeper for investors in the marketplace and they are there to ah you know both protect against fraud. You will hear them a lot, especially in the last 10 or 15 years against insider trading, ah but they are really the first line of official government defense for investors in the financial markets.

00:02:46.30

astudyincrime24

Okay. Nice and succinct. I like that. All right. Well, let's go ahead and, uh, let's talk about you, Mark. I want to talk about two days in your life, but I need to set this up. So just bear with me a second. I'm going to call the first day, day a, and on that day, everything was fine. You're making money in Sentinel. Your investors were making money. You filed your sec forms quarterly or, you know, whenever you had to file them, you didn't litter.

00:03:14.91

astudyincrime24

You didn't park in a handicap parking space. You helped old ladies cross the street. Everything was good. The other day, I'm gonna call day B. And on that day, you're still making money at Sentinel. You you were taking money from investors, but you were co-mingling funds and you were manipulating account balances and investments. you're You were basically engaged in securities fraud and wire fraud. And what I want to know is how do we get from day A to day B? How did it happen? Was it was it like a conscious effort one day, just like flipping a switch or?

00:03:51.04

astudyincrime24

I would venture to guess was it a more gradual process that I don't know, started small, kind of eventually took on a life of its own. Walk me through that.

00:04:02.47

Mark Varacchi

I would say the previous 10 to 15 years in my career had smatterings of gray and darker gray areas.

00:04:13.26

Mark Varacchi

I would definitely not want to make it seem like it was a, and I'm dating myself and saying this, but it was a, I dream of Jeannie Blink

ah from one period to the next.

00:04:25.12

Mark Varacchi

They were clearly, I am, I'm so sorry.

00:04:25.06

astudyincrime24

Well, you are old.

00:04:29.37

Mark Varacchi

ah yeah clearly would say that over my career there had been um ah periods myself, co-workers where I got to see, and and was in an environment where gray was, you know, not in some ways not even ah illegal from a crime perspective, but ah unethical. And when it came to sentinels specifically, there was a issue that came up where someone that I had worked with had what they had been talking about for a couple of months as a large problem on a relative basis for themselves. And only some assets were going to solve that problem at that point. And after discussion over a couple of weeks, we decided that

00:05:25.50

Mark Varacchi

as a one-time thing we wanted to be able to help their situation and that we would figure out a way to make it better. I will sell say it was relatively ah small compared to the whole at the end, but I would also say that that was what opened the door for future situations, future opportunities, and and where it finally ended up. But it it it let us know um that it was possible.

00:06:03.04

astudyincrime24

All right. You guys end up taking, I think, what, 26 million from investors? How did the SEC find out? Was there some type of investigation already going on? How did they learn the yeah what was going on?

00:06:17.53

Mark Varacchi

Sure. And you know I will say of the 26 million, a majority of it was reinvested in other companies. So in doing so no matter what, whether you take it and put it in your pocket, whether you take it and pay your bills, but if you take something that in that memorandum that we spoke about earlier, that you tell investors that the money is going to be here going to say buy equities in the stock market,

00:06:46.08

Mark Varacchi

If you then take it and put it into a bunch of different companies that are not listed on the stock market and are not in that memorandum as something you can do, it's just the same as taking it and either burning it in a fireplace or going and buying an island. So a majority of that 26 million was and was invested in companies at that time.

00:07:08.69

Mark Varacchi

um that we thought we had recourse, but it was clearly against the agreement and the wishes that investors thought their money actually was. And I would say that there was probably a bunch of different reasons why the proverbial walls were closing in at the time.

00:07:30.17

Mark Varacchi

I think we had um some extenuating issues. I think we had some investors that were we're you know grumbling at the time, both at us. And there may be some whistleblowing. you know The specifics to me um regarding whether you know whether it was a whistleblower or not is almost insignificant at this point. But we knew the walls were closing in. But the only thing we knew of at the time was a phone ringing one day from the SEC that we didn't pick up um and a message that they you know wanted us to give them a ring back.

00:08:15.95

Mark Varacchi

um That based on, no, it's never good.

00:08:16.79

astudyincrime24

Yeah, that's not good.

00:08:20.28

Mark Varacchi

that And that based on what we knew and what was going on at the time led to us kind of having a discussion as to, you know, whether something that we had been discussing, which is we we needed to put an end to this each day was It was painful for ah for a long time, both going through this, doing this, and keeping it keeping it alive. So we had clearly discussed you know coming in and self-reporting and trying to put this to bed. But the call from the SEC was clearly our mental nail in the coffin at that at that point that it was it was time.

00:09:09.40

astudyincrime24

Now you have used the word we a bit here. How many people aside from you are we talking about?

00:09:17.50

Mark Varacchi

Uh, they were, there were a couple of co-conspirators, uh, you know, in the, in the case. So there were two or two or three co-conspirators.

00:09:22.11

astudyincrime24

Okay, so these are like your business partners.

00:09:24.48

Mark Varacchi

Uh, yes.

00:09:25.99

astudyincrime24

Okay. All right. And then, uh, so you're charged with securities fraud and wire fraud and conspiracy to commit both. And I think everyone knows what securities fraud is. It's obviously everything we just talked about, putting money where it's none. You said it was going to go somewhere else. You put it in another place, but I was going to clarify why wire fraud is, um,

00:09:48.16

astudyincrime24

is actually anytime there's any kind of a financial mouth fee, since wire fraud is typically going to be one of the charges. And it's simply because any of the financial fraud that's done, if it's done through the quote wire, which is text or phone or email or facts or, you know, anything like that, then of course that's wire fraud.

00:10:07.60

astudyincrime24

It's just a way to get you, I guess. So did you got, did you, we're talking about you specifically, not your other business partners.

00:10:10.33

Mark Varacchi

Correct.

00:10:14.18

astudyincrime24

Did you take a plea or did you end up going to trial with this?

00:10:19.11

Mark Varacchi

i I went into the Southern District of New York and I immediately plead guilty I pled guilty because I was guilty. So it was kind of ah an easy decision for me at the time. it was you know the The objective was to to start the process of putting this putting this behind me, knowing that obviously there would be some some interesting things to come in the future, but it was it was worth

00:10:52.98

Mark Varacchi

you know, going in and being able to take responsibility for this and and and at least try to start the the path to to move forward.

00:11:05.17

astudyincrime24

When you say the Southern District, just so people know, that's in New York City. It's in Manhattan. That's the the U.S. Attorney's Office. and They have U.S. Attorney's Offices all across the U.S., but the Southern District is pretty much the granddaddy, the behemoth, the yeah really the main one, I guess primarily due to you know the population or the number of people in the New York area, I would imagine.

00:11:27.57

Mark Varacchi

Well, you'll probably find this find this interesting. So I had offices in Connecticut and New York. And I had a some great attorneys, Rodney Villazar and Patrick Smith, out of Clark Smith Villazar in New York. And ah basically, they said if you're going to go in, just so you know, if Connecticut comes for you, and if they come for you tonight, um you will be dealt with in connecticut and Connecticut will deal with you in a significantly different way than the Southern District of New York will because hedge fund and that type of fraud is much more common and you are at a different level in the Southern District of New York than you will be in Connecticut. And I immediately said, well, does that mean that maybe I should go spend the night in Manhattan tonight and go see the Southern District tomorrow

00:12:28.09

Mark Varacchi

And they said, well, you know it in all honesty, you don't want to seem like you are avoiding anything. You're going to have to grin and bear it. You can stay exactly where you are. If they come, they come. This is the risk that you're taking. But tomorrow morning at 9 AM, m you have an appointment. We will meet you there.

00:12:50.97

Mark Varacchi

um wasn't the easiest night of sleep for me, I will say that night, but I woke up bright and early and was on the road at about 5.15.

00:12:58.69

astudyincrime24

Wow.

00:13:00.08

Mark Varacchi

I probably got to the city a little early. um And then again, once you, you know, because I was now part of and dealing with the Southern District of New York, um you know, Connecticut would not be a jurisdiction of which I was, you know,

00:13:18.39

Mark Varacchi

accountable. I would only be accountable to the Southern District but I thought that was really great advice on my attorney's point and they made sure kind of I did the right thing but I did have to cross my fingers that night in case Connecticut came and knocked on my door.

00:13:33.76

astudyincrime24

So you essentially self-reported and you took full responsibility pretty much right away then for for the things that you had done.

00:13:41.94

Mark Varacchi

Yes, sir. They ah did not come for me. I went to them. And i I do not know the exact conversation if they said, we figured you were coming or if you know we we already know who you are. um But yes, i yeah I went to them.

00:14:01.20

astudyincrime24

All right, Mark. Well, let's take a quick break and I will be right back.

00:14:08.60

astudyincrime24

All right. I'm back with Mark Rorachi. Mark, once the news got out, um, kind of, I mean, uh, it's kind of a dumb question, but how did your investors react? Cause I understand they wasn't just anger. There were some that may have tried to, uh, I guess extort you.

00:14:27.09

Mark Varacchi

Well, I mean, that that that those situations and that ah that situation of people trying to take control of the business was was definitely before we reported. ah But it was also part of the reason why it was just time to to put everything together. We had some investors that liked some sleeves of our business for a while. I think they suspect suspected that things were going on.

00:14:48.67

Mark Varacchi

And they came at us pretty hard saying, look, we're going to get you in trouble unless we, you know, we we get these things and kind of

gave us a list. And, you know, we had to make a decision in that point probably about a year or so before, um you know, we had decided to

00:15:08.22

Mark Varacchi

come clean what we wanted to do and what we what we basically did was a little game theory at that time and we said, we're going to give you everything you want. ah But from a rationalization standpoint of people doing something wrong, ah it gave us the ability to have an enemy.

00:15:25.22

Mark Varacchi

and have a reason to do while we do what we were doing at that point, um you know which probably didn't kind of help anything. But like I said, when you're doing something like this, you're never saying, at least we weren't saying, this is what we're doing. so you know Screw everybody. We're going to do this. In order to sleep well at night, you had to say, we're doing great things with this money. We're going to make more money. Everybody is going to make money when we make money.

00:15:51.91

Mark Varacchi

And really what we're doing is not great, but it is for the benefit of all. And then when these guys came in and seemed to do the wrong things by us and we're doing what we thought ah was illegal, it gave us even a little bit more of a boost to now have a somewhat of a common enemy um and and and double down on what we were doing in order to in order to thwart you know what we were deeming as bad guys. But at the end of the day, these investors were victims before they decided to make bad choices, to be honest. that We were in the wrong in in in all the situations, but it did complicate things at that point. But from the investor perspective for when the news came out, look, I was under a literal um gag order to not say anything to anybody.

00:16:44.05

Mark Varacchi

the The objective is is you can't speak to one investor and let them know a situation and not let the and other investors know there was really no upside. So I had to ignore a lot of phone calls and I think that caused a lot of anger that maybe it was premeditated and I was dodging them for other reasons but I was under instruction to say ah nothing, it could only hurt me and would put me in a very bad position with with the Southern District of New York. So I you know i i couldn't have a conversation and um explain anything. I had to let all of the press releases of which, ah you know I'll be honest with you, the press releases that come out of the government in the Southern District of New York are usually the worst version of the worst story

of your life.

00:17:32.69
astudyincrime24
Okay.

00:17:33.70
Mark Varacchi
And I don't think they've ever printed a retraction. So at the end of the day, I had to kind of just go with whatever came out and let that be the information. And again, it was always the worst version and there was never any kind of any type of details. But at the end of the day,

00:17:51.28
Mark Varacchi
I was willing to take my lumps and kind of had to deal with it. But I think it put me in ah in in ah in a worse situation with those investors, ah because they thought after speaking to me constantly for that many years, that I suddenly just went you know underground. But it wasn't really self implemented. At that point, it was part of letting justice happen.

00:18:15.67
astudyincrime24
when you So you get the call, the SEC says, hey, Mark, give us a call. And you self-report then and ah you know talk to them about what had happened.

00:18:26.61
astudyincrime24
ah did Was the business closed at this point? Was it open and then you guys get raided?

00:18:33.45
Mark Varacchi
No, it was it was it was closed that day.

00:18:33.12
astudyincrime24
How did that work?

00:18:36.50
Mark Varacchi
um I wouldn't say raided, but they clearly went in and and and and got evidence, but it you know it wasn't surprise and there weren't people there when it happened.

00:18:48.41
Mark Varacchi

So this was kind of all after.

00:18:48.61

astudyincrime24

So you knew they were coming.

00:18:51.04

Mark Varacchi

Oh yeah, we know we knew we knew they were coming. I mean, you you know when you go to talk to them at that, look,

00:18:59.14

Mark Varacchi

If I say it that way, it wouldn't be totally correct. I had no idea what was going to happen. But I knew that when we went to them, everything was going to be under their control. So we had closed the office.

00:19:08.62

astudyincrime24

Understood.

00:19:10.52

Mark Varacchi

When they went in, they did whatever they needed to do. ah But there was no like, hey, this is going to be how it goes. So let's prepare. And ah you know I was kind of ready to have them look at whatever they needed to look at.

00:19:23.89

Mark Varacchi

We did not spend uh four years from a record standpoint hiding anything so there was no clandestine like hey burn the server And maybe they won't see anything. ah that you know We left everything exactly the way it was. And they got to look at everything exactly the way it was. And a lot of the f the evidence was just there. You know what I mean? like We were you either didn't set out to do what we did, or we were really horrible at doing what we did. But there was not a lot of you know putting things in places where they couldn't be found. so

00:20:06.40

Mark Varacchi

We were just like, yes, go get it. And then ah you know I had to spend an awful lot of time explaining to them what was what.

00:20:15.83

astudyincrime24

All right, so we talked about 26 million. Some of it went to places it wasn't supposed to go. where How much of that were were you able to

return to investors?

00:20:28.31

Mark Varacchi

So a receiver gets appointed um by the judge, and it is their job

00:20:33.92

astudyincrime24

is that like a Is that like a trustee, like in a bankruptcy or the trustee handles?

00:20:39.22

Mark Varacchi

it It is, they're kind of in charge.

00:20:40.43

astudyincrime24

Okay.

00:20:41.33

Mark Varacchi

They are a legal firm that, and they did a great, great, great job in in this case, but they get to go and chase, you know, first the first thing they do is they go through every wire, every withdrawal, and there's a label and an explanation.

00:21:00.66

Mark Varacchi

Then they look through it, and then they have to deem what can they what should they go, after, right? yeah Oh, you sent this guy three million. Oh, you sent the this company two million. um And you know what, I think you're going to be very, very surprised. Every person that we had given any money to, even if it was 30 days before the end, all when the news came out that we had a problem, all basically said that they were either insolvent or out of business.

00:21:33.36

astudyincrime24

I'm shocked, unbelievable.

00:21:36.40

Mark Varacchi

Yeah, I'm sure you are. And so the receiver had their work cut out for them. But what happens in these cases, and the reason why cents on the dollar can be tough is because in these situations, the receiver may have said, hey, look, you guys gave these guys \$500,000. And when we look at it, and look, they're in Colorado.

00:22:01.37

Mark Varacchi

And in order to go after this case, we're going to estimate it's going to take two years. And it's going to cost us \$425,000 if they take it all the way down. And it doesn't make much sense for us to go spend for \$25,000 or \$450,000 to try to get back \$500,000. So they just cross it off the list and put it on. you know that's still on my ledger right it or our ledger but it's on my ledger meaning the total is the total and that's not coming back even if it was gettable because of the money it would cost in order to go get it so they had to deem okay this amount we can go get

00:22:29.03
astudyincrime24
Right.

00:22:44.60
Mark Varacchi
And then when they would go meet with these guys, I would help them and help to explain what the situation was and the best way that they that did they could go get the most significant dollar amount, you know as well as doing a lot of kind of forensic accounting for them, at least for the first year or two, um which is when you know a lot of that money was recovered.

00:23:07.38
Mark Varacchi
But I think I would,

00:23:08.77
astudyincrime24
And all that cooperation is part of the plea agreement.

00:23:13.55
Mark Varacchi
Yeah, very, very much so. And you know like I said, i you know nobody else volunteered to come in and assist. And I'm sure they were given opportunities. But you know once I realized that they were holding something, even though the the big number is still the number that you're responsible for, right they look at the number on the day it happens. They don't really go, and you got \$0.50 on the dollar back. So now we're just going to charge you with half.

00:23:41.10
Mark Varacchi
um It's still what it was when it was, if you know what I'm saying. So at the end of the day, we got just over 50 cents on the dollar back. And when I say we, it was really the receiver. And and and and I gave, I would say, some substantial assistance in in in getting that back. And you know a lot of it, you know a lot of 500 here, 700 here,

00:24:05.63

Mark Varacchi

A lot of those amounts had to be put to the wayside because they didn't think the recovery was worth the potential expense. um

00:24:15.28

astudyincrime24

I believe the maximum sentence for securities fraud is can be up to 25 years. So your you were sentenced to 15 months in a federal prison. I'm assuming that that was due to your cooperation. Is that right?

00:24:32.88

astudyincrime24

In other words, does your does the sentence reflect the plea agreement and your cooperation with the government?

00:24:46.65

astudyincrime24

I think we lost you.

00:24:51.00

astudyincrime24

I'm not hearing anything. Hold on a minute.

00:24:53.22

Mark Varacchi

You hear me now?

00:24:53.67

astudyincrime24

Oh, there, now I can hear you. Did you hear my question?

00:24:55.74

Mark Varacchi

Okay. I did. You want to go back and ask it one more time and then we'll do the whole, okay.

00:25:00.48

astudyincrime24

Yeah, yeah, we'll go from there, okay. My understanding is that the the the maximum sentence for securities fraud is 25 years. Now, you were sentenced to 15 months in federal prison. I'm wondering, is that did your 15-month sentence, was that reflected due to your plea agreement, to your your cooperation with the government?

00:25:22.64

Mark Varacchi

Yeah, the plea agreement and and what they do is not necessarily for any specific timeframe, but I think they look at how helpful and substantial your cooperation is. And like I said, i I did a lot in order to help and and and try to get back as much as possible for the

investors throughout the case. And you know they they they weigh that. They do what is called a pre-sentence report of which a probation officer, which is not your the person that just monitors you. there's

00:25:56.20

Mark Varacchi

I was on what's called pre-trial even though I didn't have a trial upcoming where you know I basically just had someone that was kind of in charge of monitoring me and I guess at that time you know making sure I didn't you know run away to Turks and Caicos or or something like that. So I would check in with them um and and you know be they were responsible for me, but then they hire a separate a probation officer who does what's called the pre-sentencing report and they go through your whole history from when your young relatives

00:26:31.67

Mark Varacchi

growing up situations, the crime, if you want to speak about it, obviously, because I pled guilty, everything about my crime was kind of already out there, so I didn't have to totally re-elaborate on, ah you know, what I did because it wasn't like, you know, I went to trial.

00:26:41.58

astudyincrime24

Mm hmm.

00:26:50.00

Mark Varacchi

And then they determine based on that, letters that are received You know, based on how much you have, you know, done to help the case and then they deem outside of what the sentencing guidelines are and the sentencing guidelines are, a you know, a you know complicated, very large manual, which determines based on whether it was your first offense, whether it was by sophisticated means, but the biggest part of it, ah you know, can be the the dollar amount, and then the cooperation can help mitigate that.

00:27:18.01

astudyincrime24

Sure.

00:27:27.86

Mark Varacchi

and then they come up with kind of a suggestion, then that suggestion goes to the judge. Both sides then submit both the defense and my attorneys and the prosecution ah put in what they deem is ah correct. That and the independent PSR get evaluated by the judge and then you go and get sentenced.

00:27:54.38

Mark Varacchi

And the sentencing is totally up to the judge, were regardless of what you have done or haven't done. The judge does have the autonomy, but does have certain cheat sheets that they can go by. And both sides clearly will reference similar cases and certain sentencing that the judge can use almost like in real estate, like it's a comp when the guy next door sells his house for 500.

00:28:22.77

Mark Varacchi

and yours is the same square footage and the same model, yours should be 500. Well, if someone that did exactly what I did got 15 or 18 months, my attorneys would clearly be referencing those. And then the prosecution may come in and say, well, this guy did this, and we think he deserves you know this amount. And then the judge disseminates that. And when he walks in, it's sentencing I would say he he has in mind what your sentence will be and you would have to do something either incredibly significant on the positive or incredibly stupid on the negative side in front of that judge at sentencing to have him totally digress from probably what he has in his head when walking.

00:29:06.48

astudyincrime24

So you're sending this to 15 months in a federal prison. You go to FCI Otisville, which is a facility prison run by the Federal Bureau of Prisons in Otisville, New York. It's a medium security prison, but there's also a um there's a prison camp next door. was that where Which one were you in?

00:29:26.23

Mark Varacchi

I was at the camp. You report to the medium on day one. That's where ah that's where you check in. um

00:29:32.74

astudyincrime24

So the people that you were around were non-violent offenders, is that right?

00:29:33.57

Mark Varacchi

and ah

00:29:36.26

astudyincrime24

Were they primarily white collar criminals?

00:29:39.51

Mark Varacchi

So you can go into a camp if you are under 10 years. and you are nonviolent and there is a kind of a security and a risk profile that will deem whether you are eligible for a minimum or a camp, a low or a medium. If I was obviously eligible for a camp, now you can originally get sentenced with 15 or 20 years to a medium.

00:30:11.55

Mark Varacchi

Over your time, you can then be doing exactly the right thing, doing programming and knock your risk down. And when you get under 10 years, you can then have a risk profile that allows you to a camp.

00:30:25.98

Mark Varacchi

So we did have people who had previously been in lows and mediums at the camp, but they had to work their way down to get there.

00:30:34.06

astudyincrime24

They were reevaluated.

00:30:35.40

Mark Varacchi

he didn't They didn't get to get there on on day one.

00:30:39.82

astudyincrime24

Tell me about the, okay.

00:30:40.30

Mark Varacchi

So there was a mix.

00:30:43.00

astudyincrime24

Tell me about the night before you had a report to president. I don't know if you're a hotel in the area or if you're at home, but what was going through your mind as you're laying there in bed? I mean, were you scared or what were what were your thoughts?

00:30:55.25

Mark Varacchi

So I'm going to be honest. I mean, I think the, I don't think, uh, and I'm not ah embarrassed to say, you know, scared of the unknown is clearly what a lot of this process is. And, um, I was obviously also scared for, you know, my family. Um, and when I say scared, you know, I always think scared is okay. I think, uh, um, you know, uh, you're a, you're, you're an army veteran, right?

00:31:25.78

Mark Varacchi

And I think, I think, so thank you, by the way, for your sacrifice and service.

00:31:25.58

astudyincrime24

Indeed.

00:31:29.39

astudyincrime24

Well, thank you. I appreciate that.

00:31:31.24

Mark Varacchi

But, but what I will say is that I think being scared is okay. I think what you do with that fear once you're scared is really the difference between being afraid or not being afraid and at the end of the day i obviously knew that there were going to be a lot of unknowns that were going to be answered in the next you know 24 48 in the next couple of weeks so it was uh it certainly wasn't like uh you know, the the excitement of, you know, your first day of camp and and and by camp tongue in cheek.

00:32:05.25

Mark Varacchi

I mean actual camp when I was, you know, 11 years old.

00:32:08.08

astudyincrime24

Right.

00:32:08.53

Mark Varacchi

ah it It was, you know, going to be something that, you know, you know, was clearly going to be different. And, you know, I'll tell you a funny story. So that was ah the day I reported was the first of April.

00:32:22.57

Mark Varacchi

And I obviously reported because I have a piece of paper from the judge that said, on the 1st of April, here's where you go, here's where you show, and you can get there as early as this, and don't get there later than this, or you are technically ah a fugitive from justice. So I got there bright and early, and I'm there, it's April 1st, I walk in, and they ask me who I am, and I said, I'm Mark Ferracci, I'm here to self-report.

00:32:50.55

Mark Varacchi

and they go away for about 10, 15 minutes and come back and they're like, why'd you show up on a Saturday? And I said, well, my piece of paper said April 1st. I wasn't really looking at it. I i assume you guys work seven seven days a week and they don't everybody doesn't go home on Friday. but And they said, well, we don't have a medical officer here on the weekends and we can't let you go where you have to go unless we can make sure you don't have little things like tuberculosis and some other things.

00:33:22.71

Mark Varacchi

And if we don't get to do that, sorry, we're going to put you in the shoe, which is the segregated housing unit here in the medium. So they checked me into the medium and they put me in segregated housing, of which I was in my own cell. But it is ah it's it's a spot where you go when you do the wrong thing. And it was clearly um not where I thought I was going to end up on day one. And then at some point four or five hours into it,

00:33:52.94

Mark Varacchi

You're literally thinking to yourself like, how do I know they're just not going to tell me it's time to go upstairs and I have to convince them that I'm not even supposed to be in this building. I'm supposed to go over to the camp. And, you know, I would say that the timeframe from Saturday morning at about 1030 to Monday probably felt more like a week than a couple of days.

00:34:17.69

Mark Varacchi

And it wasn't until Sunday, so it was really 36 hours later that the that the chaplain from the camp came over to give me communion, and he actually referred to me by name and told me that I would be at the camp the next day, was the first time anybody actually told me they realized I wasn't supposed to be where I was.

00:34:41.04

astudyincrime24

Oh wow.

00:34:41.61

Mark Varacchi

Which was a little bit of a relief, to be honest, because look, in the shoe there is no, there's the light is always on, but you can't see outside, so you lose your sense of day or night.

00:34:51.00

astudyincrime24

Lovely.

00:34:51.83

Mark Varacchi

you fall asleep so when you wake up you're not sure if you slept for two hours or nine hours there's no watch. um So it was, like I said, it was an interesting experience and I always joked, you know, once I was there and even now, if everybody started in the shoe for two days, I think behavior would be significantly different for many people once they actually get where they're supposed to go because it's clearly, it's not a place you want to go back to once you've experienced it.

00:35:24.89

astudyincrime24

yeah Speaking of the Army, I went to basic training at Fort Benning, Georgia. I think it was like 12 weeks, 16 weeks, I don't remember. but and it's you know I'm not comparing it to prison, although it felt like it at first.

00:35:40.78

astudyincrime24

It was very hard to acclimate because so I was 24 I was never in sports and I'm suddenly I showed up I'm doing all these Exercises and and push-ups and running and things like that and you don't know what to expect. You don't know where you're going They're not they don't come out and tell you hey today. We're doing this this and this it took me about three weeks to at Fort Benning before I finally kind of acclimated, you know, I kind of understood what was happening, what was to be expected. Well, you know, like, I guess we're having breakfast at the same time every morning, I guess we're going to run every morning. And and so it took me about three weeks to acclimate. Other than the time that you spent in the shoe, once you get to the camp,

00:36:20.64

astudyincrime24

um How long did it take you to kind of acclimate yourself to being, to prison life? Or maybe you never acclimated to it. I don't know. How long did it take you?

00:36:32.40

Mark Varacchi

it took it It took a couple of weeks. And and at the end of the day, you know it was you know weird. you know i was on a I was on a top bunk, which you know I lost about 60 pounds while i while I was at Otisville. So on day one, I clearly wasn't Spider-Man in order to be able to climb and get onto a top bunk. But I have to say, the people there were um welcoming. there are certain parties, when you go to a facility where it's kind of they've taken on the responsibility of welcoming people when they're there. um You know, believe it or not, they're there's, in a lot of cases, a little care package that you're given. Because when you go, the only way to get things like toothpaste

and toothbrush and little knickknacks is through what's called commissary, which is a sheet that you fill out usually on Sundays. And then on Wednesday,

00:37:31.92

Mark Varacchi

They call you for commissary and that stuff you find out what you get and what you don't and that stuff gets delivered. At the end of the day, when I showed up on Monday after getting there Friday, there was no commissary until the next Sunday. So there was a gentleman there with a you know a shaving kit filled with a couple of things, some shower shoes, and asking me if there was anything I needed or I wanted.

00:38:01.29

Mark Varacchi

and you know they they started to kind of tell me I think the the the benefit maybe that I even had that you didn't in basic training is I'm going to assume and I may be wrong that everybody got to basic training at the same time so there was no one for you to ask what goes on next. I had the benefit of having a bunch of people who had some of them had been there for days, months, years. um So at least I could get a little bit of a cheat sheet as far as what I ah could, you know, what I could expect. I would say the most of it was just kind of sitting back and watching. I've always found throughout my whole life that keeping an eye on people and watching how they treat other people is usually a good indicator of the kind of people they are. And to me, I spent my first couple of days kind of determining

00:38:54.37

Mark Varacchi

who interacted with who, how they interacted with others, and kind of wanted to kind of get a feel. um What I didn't want to do was align myself with any anyone or or any group, ah not really knowing, you know, how they were perceived or how they were. So like I said, you just kind of lay low, you be very mellow, very polite. Everybody in there is very, very polite.

00:39:17.00

Mark Varacchi

Um, and you just want to kind of learn the rules, um, which are not necessarily the same rules that you would have. If you weren't there, there are some prison only, uh, aspects that you just need to understand and, uh, respect whether they are, whether they totally make sense or not. And you just kind of, you don't want to be the person that breaks those rules because usually you get called out on it. Um,

00:39:46.76

Mark Varacchi

And look, there's not much else going on. So the people that screw up are remembered for a couple of weeks. you don't You don't want to be that guy. There isn't a lot of other stuff going around to make them go think about something else.

00:40:01.37

astudyincrime24

So you have a 15-month sentence. It takes a couple of weeks to get acclimated or so. You got about 14 months and two weeks left. What was the most difficult part of being there?

00:40:18.48

Mark Varacchi

The punishment is being away from your loved ones. I mean, that is the punishment. ah The difficulties are, and especially in a camp, maybe more than other places, is that everybody in there at some point, you would probably say the majority of them ran something when they were out. They were in charge of something. They are probably an A-type personality, and they were used to if they had a problem on a Thursday with a cell phone and with their computer to be able to probably solve it by Monday morning. When you're there and there is no internet and there is no cell phone and there is still problems going on in the outside world that you can't be a part of and you can't fix is just understanding to worry about what you can control.

00:41:12.15

Mark Varacchi

And the biggest thing I tell clients right now is that aspect. And it can be very, very tough for your ego to not want to still have your hands and take care of everything. And my preparation before I left was to work with my family and making sure that there wasn't anything that I ever did or had to do that they didn't know how to know how to do without me. And honestly, they they the crushed it. They did unbelievable. And um I'd love not to say it, but most of the things that I

00:41:57.74

Mark Varacchi

did a lot of them they did better than me after after I left like they and they helped each other do it and them working together and ah you know them kind of both continuing whether it was my boys with good grades and just being you know great overall young men and my wife flourishing at both doing what she needed to do but also having to basically ah cover what both of us used to cover. They they they did um amazingly amazingly well which made my time away much much easier for me.

00:42:41.11

Mark Varacchi

Not that there weren't some difficult days and not that problems just

don't happen, but overall, the amazing way that they took on what I had basically put on them um totally, totally helped me be able to just go in there and focus on probably things that I never would have focused on for myself, like my health, my mind, um my rest. um you know There are no bills there, right? You're getting three square meals a day.

00:43:11.06

Mark Varacchi

So at at the end of the day, I wanted to try to do, look, I came from a trading atmosphere. you I wanted to trade my 15 months for two, three, four years on the back end of maybe better health and better mind.

00:43:28.29

Mark Varacchi

And I think I succeeded in doing that, but I couldn't have done it ah unless my my family did as as amazing as they did because they allowed me to um to feel confident that they were okay. And that eats you up when you're inside, that the people you love are not okay because you left them there.

00:43:49.11

astudyincrime24

That makes sense. In the end, this is your story is a story of redemption. it's say It's a story of second chances. And you served your time. Before we move on, i want I'm curious, when when did you have a change of heart regarding the fraud? And I'm assuming that this was long before you were actually in prison. It was right around the time you self-reported.

00:44:12.67

astudyincrime24

or shortly thereafter. what but When did you have that change of heart and what what prompted it? Was it the stress? What was it?

00:44:22.87

Mark Varacchi

Well, look, I don't want to ever make it seem like the the the intention was do bad things, bad things are okay. Always, we we all knew the difference ah between the two while we were doing what we were doing. And in a lot of ways, we, as I mentioned, rationalized and justified, um justified doing it.

00:44:49.29

Mark Varacchi

But I think as I was home for that six and a half years before sentencing, which allowed me to, for the first time in a long time, um be with my family more than being near my family. And i that may sound like almost the same thing in some ways, but to me, it means something

totally different. But to to be with them and be present, um you know, and sometimes I joke around with my boys when it comes to you know the the internet or their phones and I talked to them about being present. Well, when I was focused on working and doing what I thought was important for them, um I don't think I was present. I think I was

00:45:35.80

Mark Varacchi

um I think I thought that the end justified the means, and as long as I was working to put money in the bank account and put food on the table, that my actions were like didn't didn't count towards anything negative. And it wasn't until I could actually be there that I realized the difference between who I was and who I was trying to get back.

00:46:02.24

Mark Varacchi
and

00:46:04.76

Mark Varacchi

you know during that time I realized that everything I was doing and how I was doing it wasn't important to my family. It was only important to me and I had construed what I should be doing and what they wanted and I had never really asked and that if I had known basically what I had learned after being with them in that that six or seven year time frame. If I had known that a little earlier, I would have realized what's important. But I had myself fooled that I was working for a good cause.

00:46:47.03

Mark Varacchi

It is weird to be able to justify doing bad things for a good cause. But in order to sleep at night, that's what I did. um And it wasn't important to any of the people that I was doing it for. So it was that was the realization that there there is no easy answer. They would have loved me being happy.

00:47:07.96

Mark Varacchi

making less and and and and feeling fulfilled ah always. It had nothing to do with what my job title was or or what I was bringing home. And they were confident that no matter what I did, I would be successful in it. um i i put together my own I put together my own story and reason. And it was it was it was totally, totally the the wrong the It was the wrong rationale.

00:47:43.29

astudyincrime24

Well, it sounds like you found some clarity, some illumination

throughout all this. I'm sure that people have treated you differently once they found out what had happened, maybe since you went to to prison. How do you and do you handle that?

00:48:01.49

Mark Varacchi

I mean, at this point, the the people that are left in my life, you lose about 98% when you go through something like this and you realize that the people that you thought were probably closer really weren't, right? And and you kind of understand what the word love truly means to some.

00:48:23.30

Mark Varacchi

and

00:48:26.12

Mark Varacchi

At the end of the day, I'm not, anybody right now, I'm not really too concerned with what they're kind of thinking. i I need to be kind of secure in what I am today and what I'm doing today and what I know I'm going to be doing tomorrow. And the people who are close to me and and know me, um like I said, I don't have any, there there are no second guessing. There's no second guessing, you know, regarding the people who are here. And those people are incredible, and incredible.

00:48:56.71

Mark Varacchi

quality I just got rid of a lot of bad quantity I guess you could say and that to me um is ah not something I would suggest anybody else do it the way I did it that's not the way to purge your life is don't commit a felony but there are different ways where you go through tough times and you realize who's there for you and who is not it's funny I'll tell you a story that happened in the last week that you know I do a lot of volunteering and I do a lot of things with my son's organizations. And I was just told that now that I am out, even though I had been doing it after I had pled guilty, that I would not pass a background check in order to be a volunteer to monitor um young teenage men to make sure that they didn't say bully each other um in a locker room setting.

00:49:53.61

Mark Varacchi

So even though I am as far away from either violence or a ah crime that you would deem to be dangerous to anyone, and I brought up two great young men, I found out that you know I can't do that volunteering, but the silver lining is is I can always go run for president.

00:50:20.06

Mark Varacchi
Thank you i didn't realize you.

00:50:20.07
astudyincrime24
Well, I didn't either.

00:50:21.46
Mark Varacchi
I didn't realize you had sound effects, but yeah, I mean, and and and
and ah that's amazing.

00:50:24.66
astudyincrime24
I just first i found that out today.

00:50:29.07
Mark Varacchi
um But that's...

00:50:28.74
astudyincrime24
You said 98% of your friends hope that if that happened to me, I
wouldn't have anybody left. I don't have that many friends.

00:50:37.08
Mark Varacchi
Well, the the funny thing is, is that throughout the process and
throughout the seven or eight years, I've made a lot of new friends.
The issue is, is that when you get to the point with people that you
meet, that you're going to kind of cross that line and maybe go what I
like to say, break bread with them. um I would have a cup of coffee
and I would say,

00:50:57.55
Mark Varacchi
I would tell them about me and what I did and say, look, I'd never
want to put you in a position to bring me somewhere and have people ah
say, do you know who you're with? So I'm telling you who you're with.
And of those 15 or 20 people that I've had to do that with over the
past seven years, um i've I've got a really good success rate of
people that have become great, great friends. um And look, now that
I'm done,

00:51:25.92
Mark Varacchi
Google's Google. I really don't feel that I have to give anybody a
disclaimer anymore. um i have ah I have a big mouth and I am a big
personality.

00:51:31.03
astudyincrime24
Sure.

00:51:37.51
Mark Varacchi
There are most people after getting together with me a couple of times probably go, I wonder what this guy does for a living and they Google me. I always assume that happens pretty soon after I get together with people.

00:51:48.31
Mark Varacchi
And ah like I said, um

00:51:48.22
astudyincrime24
Then when you come and talk to them, they have like a different attitude.

00:51:52.58
Mark Varacchi
some Some you see and some ah you know some come and say, hey, look, you know i I saw this. I just want to let you know. I don't care. And like I see who you are. I see who you are as a dad. I see who you are as a man. ah you know I've known you for five or six years. And I know we're just getting close now. but like Like, I know what you are. And you'll be surprised at how many people have people in their lives that ah have made bad choices. And I used to say, make mistakes. It's not a mistake, right? You do it on purpose. i didn't I didn't fat finger a button in order to get where I am. I had to make a decision to do something wrong.

00:52:37.01
Mark Varacchi
But at the end of the day, ah there are a lot of people who understand that people shouldn't be judged by maybe um you know the the the the the worst choice that they've that they've made. And when I get that opportunity, it means it means something to me. i find I find big value in that. And I appreciate the opportunity to for those friendships. And you know it's it's it's why I try to, um you know when I work with clients now, to kind of let them know the the the same thing. you know you eat You feel lonely when you make a mistake like this and you feel like you are

00:53:18.77
Mark Varacchi
um the worst and maybe never will get good. I can't say I wake up and feel that anything I do good right now will outweigh the bad things I did, um but I do do enough good things every day to feel good every

day. I just don't know if the scales will ever balance, but to me that's not my problem and what I need to fight for. As long as I'm doing good every day, I'm okay with that existence. I don't know I don't know how many pounds of good equal the shitload of bad that occurred.

00:53:57.10

astudyincrime24

Well, I think you're, I think you're on the right track and I think that's a good attitude to have. Just keep doing the good. You know, in the 2015 movie, Get Hard, Will Ferrell is in it and he plays this guy named James King, who is an investment banker. And he, I don't know what he does. He may have been framed in the movie, but anyway, he sent to prison for fraud and he hires Kevin Hart's character, a guy named Darnell Lewis, ah to help him prepare for life in prison.

00:54:25.11

astudyincrime24

Now it's just a movie and frankly, it's not a very good one. It's and actually pretty bad. I would not recommend it. Uh, but this is now your life's work, isn't it? Preparing and helping others that and that are going to go to prison. Tell me a little bit about the federal prison consultancy. How did this idea come about doing time with the right mind?

00:54:49.07

Mark Varacchi

Great. And ah thank you, by the way, for you know bringing up Kevin Hart. Him and Danny DeVito were the only two actors. I'm actually taller then, so you made me feel good there that you that you compared me to Kevin.

00:55:01.46

astudyincrime24

Guys, should I use my drum thing again?

00:55:04.06

Mark Varacchi

No, you don't you don't have to.

00:55:05.46

astudyincrime24

but

00:55:07.54

Mark Varacchi

um

00:55:07.25

astudyincrime24

I think that was twice too many, but go ahead.

00:55:10.05

Mark Varacchi

No worries. Well, the federal prison consultancy is something that

00:55:16.77

Mark Varacchi

Well, when I was in Otisville, I had a lot of fellow inmates that were very frustrated with people that they had paid an awful lot of money in order to assist them as an advocate while they are inside. And I think a lot of that stemmed from a lot of changes in policy.

00:55:35.46

Mark Varacchi

that made things much more complicated than it used to be when you were a federal prisoner. When you were a federal prisoner before the first step back, which was enacted under Trump, ah you did 85% of your time. 15% came off, ah which is called good time, right? GTC, good time credits. So if you didn't do anything bad while you were in prison, you know if you got 100 months that you were gonna do 85. Very easy, very simple.

00:56:01.96

Mark Varacchi

and a lot of the consultants basically only need to talk about keeping your head down and things to do to avoid violence and don't gamble and don't do things like that and their job was done. Well, once the first step came in, it really turned what I would say is a simple math to definitely complicated arithmetic and the different calculations that the BOP has which takes time off the end of your sentence and look,

00:56:31.42

Mark Varacchi

Scott, from the day you get in prison, there is a thing that you look at and you focus on. And if it is a day that you can look forward to, it's the day that you leave. And because this First Step Act is so complicated ah and and the BOP interprets it in different ways, in different facilities for people with the same crimes, there's always what I like to say, I like to use the word angst a lot, but there's a lot of stress that goes along with someone seeing someone with the same crime, same issue, taking the same classes, getting out technically three months before they do.

00:57:11.11

Mark Varacchi

and And that consistency and that advocacy is what people were very frustrated with. So I took it upon myself to learn the policies, to learn the legislation, and to be a student of the game to try to be able to help um a lot of my starting with friends, but basically I

would help anybody inside.

00:57:30.06

Mark Varacchi

um whether it was filing administrative relief or putting in different types of motions to the judge pro se from inside prison, whether it be habeas corpus and and any other things. And then when I got out, I said, okay, that's not probably something that's going to be, i don't think I don't know if it's going to be my life's work, but I made a couple of phone calls when I when i got out to say thank you to some people who were bright spots in a dark time, and the ex-prosecutor on my case had gone over to the to the private sector. So they were now defending white collar inmates. And I called him and said, look, I just want to let you know, like we were on different sides of the table, but you were really, really great to me.

00:58:15.85

Mark Varacchi

and your whole team was really, really great to me. And if there's anything that I think I can do, if you have someone that's going in, I think I can help them. I think I prepared better than almost anybody in going in, but I think now I have a knowledge base that is going to help them that while they're there, which is probably going to be after the time that you're dealing with them. Because after sentencing, the defense attorneys really don't have much to do unless there's an appeal, right, or a compassionate release.

00:58:44.04

Mark Varacchi

And I said, they're people I'd like to work with. And I figured, I don't think that this gentleman is gonna give me someone that determines both his firms and his livelihood, even though we had a good rapport and it was a great conversation. And I left it at that. And two weeks later, I got a phone call and it was from it was from the ex prosecutor current defense attorney and he said,

00:59:12.27

Mark Varacchi

I think I have the perfect guy for you. He was just sentenced. it's in It's on the West Coast. It's a financial crime. And he put us on a call. And the call went great. I think it went great for him because I think I solved a lot of the unknowns, of which the unknowns are the worst. But I felt amazing. And I looked at my wife and said, honey, there's something here. and don't you know I don't know what it is.

00:59:38.64

Mark Varacchi

but like There are a lot of guys I know that need this type of assistance and it's impossible to get it once you're incarcerated. um And then in our next conversation between myself and the the attorney,

he said, i can't you know we can't do this again unless I pay you. And I said, well, I'm not gonna take any money unless I actually have a real business and let's talk to each other in a couple of weeks or a month or so.

01:00:06.73

Mark Varacchi

And then it is blossom from there where now I have numerous clients in facilities or waiting for sentencing um ah or you know just out in halfway houses all over the nation. And I try to be a ah good ah advocate for them because it's important. and you know I'll say one more thing that I think will resonate with you that I was thinking about this week. And again, you're an army veteran. And I have clients that are army veterans that suffer from PTSD. And these army veterans were under medication that when they went inside, they were not told that they would not be able to continue their PTSD meds once they're inside and were basically

01:00:55.05

Mark Varacchi

taken off them cold turkey and given a very diluted replacement and I've had these clients tell me that both they're not having great thoughts about life in general um and when they're out and if they're doing landscaping like when they see people and they're you know holding leaf blowers or they're holding you know ah other equipment like they're sometimes ah imagining that they may may have weapons and they're having bad, bad thoughts. And nobody in the government ever tells you that what you should be doing is going to our list of medications and maybe trying to work out some type of replacement before you get there. But the only recourse once you get there, if you go to them and you say, I'm not feeling right, or maybe I'm feeling like I'm having suicidal thoughts,

01:01:46.02

Mark Varacchi

you end up in the same shoe cell that I was in for those first two days and they just keep you there and they watch you and the treatment is not not what you would have if you were obviously out in the private sector. Those guys need somebody on the outside to fight for them, which is also why I hired ah a medical professional to be on my staff. And when we have someone going in, whether they are obviously ex-harm forces or not,

01:02:14.70

Mark Varacchi

We evaluate their medical situation. We evaluate their prescriptions. We go to the ah releases from the BOP as to what they allow and what they don't and what the replacements are. And we make sure that when they're home,

01:02:31.41

Mark Varacchi

they get to find the right mix for them that they can continue once they're inside. To me, those are things that totally slip through the cracks when it comes to people going into prison. And we try to, we try to focus on all the holes that I saw because I was there. And again, I'm sorry, I just wanted to bring that up to you obviously because I, you know,

01:02:52.17

Mark Varacchi

as ex-military, if you're going to tell me that we can't take care of someone that that was risking their life for for for us and this country um simply because they didn't pay their taxes or they're they're arrested because of tax evasion, and now we're going to put them in a situation where they're they're they're mentally or physically unwell um based on the treatment that they were getting before they went in. ah you know it It gives me a reason as to why people like me need to need to be able to be there and need to be accessible.

01:03:26.60

astudyincrime24

Absolutely. You're doing Yeoman's work, that's for sure. You also do public speaking now about fraud prevention, compliance, ethics, things like that. How's that going?

01:03:39.02

Mark Varacchi

It's going well. Look, nobody, you know when I went through what I went through, nobody came to me and said, hey. Can you tell us a little bit more about exactly what you did and how you did it because we want to go prevent it? And you know I don't know. I always use kind of the cancer analogy that sometimes it's easier to treat it after the fact than it is to work on prevention. And sometimes with fraud, I also think it's the the same way. And a lot of the things that I've dealt with, implemented, watched, viewed,

01:04:14.67

Mark Varacchi

um are still going on today and a lot of it is that the the the other side is not going more than one or one layer into the onion, um you know, regarding prevention. And look, is there a lot of conflict of interest to a lot of the companies that are also supposed to be monitoring fraud, also benefiting from a commission standpoint from a lot of the firms that they're dealing with? And the the the end is, is which, in a with you know, who's watching who is

01:04:51.66

Mark Varacchi

try to catch it now, when you have a directional upmarket for you know the good part of 20 years other than ah ah a year or two blip here and there and a little volatility, it is very tough to find the bad actors in the financial space.

01:05:10.89

Mark Varacchi

And usually it takes for the markets to go down when every investor worries about their money and starts asking for it to find out who's actually been spending it and when there isn't enough for all the people that's asking. um In an up market you need to be proactive and everybody seems to be reactive and I try to explain to them both how it was done, um how it is done, and where I think the future is going, especially with artificial intelligence. I think artificial intelligence is making ah compliance lazy um because to me, it is still a tool that makes things quicker. I don't think it necessarily makes things better unless the humans behind it are doing what they need to do in order to disseminate and read those tea leaves that a AI is producing.

01:06:02.09

Mark Varacchi

So that's kind of my my my explanation on on on why you know the the guys that I speak to are are or are are pretty ah are pretty amazed. And I will say a decent amount of it is ah is common sense and low hanging fruit that they all still realize they're ignoring, um which can be frustrating. But I look at it and say that unless you know and unless there's an actual event ah that makes it an issue. um you know you You haven't made the mistake yet, but you can still kind of get ahead of it. And I think there was one statistic that said the cost of fraud in the financial marketplace, when you decide to wait, deal with a regulator, a penalty,

01:06:51.56

Mark Varacchi

a large client and that headline risk that make make other clients walk away because they realize that you're not watching the ship is something like five to seven X than if you reported it immediately and maybe ask that one large client to leave and what that would hurt your bottom line in the first you know two or three quarters after it happened.

01:07:16.88

Mark Varacchi

but it's always better to catch it and deal with it than it is to let it go and wait to be on a list of the people who aren't paying attention.

01:07:27.47

astudyincrime24

Well, it is interesting that the SEC never asked you how you did what you did. I would think they'd be interested I think I would think they'd be interested in preventing the same kind of securities fraud in the future, but I don't know. Maybe they think it's all the same. It's just different parties. I'm not sure.

01:07:46.24

Mark Varacchi

Well, I can tell you, unlike the first time they called me, I will pick up this time.

01:07:51.46

astudyincrime24

Well, speaking of the SEC, if you have any information about securities law violations and we're talking fraud, insider trading, Ponzi schemes, you can submit a tip to the SEC's whistleblower office at 202-551-4790 and your identity and the information you share can remain confidential. Mark, I'm going to give you the last word. You've had some distance now from all of this.

01:08:17.24

astudyincrime24

What did you learn? What do you take away from this this whole entire experience?

01:08:24.68

Mark Varacchi

I mean, I think I think communication with with the people you care about and make sure that what you are doing from them is aligned with what their expectations and needs are truly of you. Make sure that you do something that makes you happy.

01:08:47.45

Mark Varacchi

every day and that also does something to to try to help someone else. That will make it a great existence. I cannot speak to what that does for you monetarily, um but I do know that the happiness and what it brings highly, highly is is is so much more important. And just know when you're doing things for others, if they're not in the loop, then you may just be doing it for you.