

Lewis, Mervyn K. Understanding Ponzi schemes: can better financial regulation prevent investors from being defrauded?. E. Elgar, 2016. 190p bibl index ISBN 9781782549093, \$120.00; ISBN 9781782549109 ebook, contact publisher for price.

Ponzi schemes, once unveiled, have the power to fascinate the public and provide titillating fodder for newspapers and television news. In this book, Lewis (Univ. of South Australia) takes readers on a detailed tour of the more famous characters, including Charles Ponzi, Bernard Madoff, and Allen Stanford. Through individual case studies, the author explains how—and why—these schemes work, what distinguishes them from pyramid schemes, what their perpetrators were thinking, why these houses of cards eventually implode, insights from the world of behavioral finance and psychology, and what types of changes to regulatory bodies would lead to earlier detection and thus prevent investors—naïve, greedy, or otherwise—from getting fleeced. The short, well-referenced volume is an invaluable arrow in the quiver of finance scholars, regulatory agents, financial advisers, and other public policy officials. But it is also, not unlike the topic itself, an engaging, very readable look inside this fraudulent world. Summing Up: Highly recommended. Lower-division undergraduates through faculty.