

'Amish Bernie Madoff' won't fight fraud charges

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SUGARCREEK, Ohio (RNS) An investment broker dubbed the “Amish Bernie Madoff” has decided not to fight federal charges that he defrauded thousands of investors out of nearly \$17 million.

Monroe Beachy, 77, intends to reject his lawyer's legal advice and plead no contest at an arraignment in Youngstown on Thursday (Oct. 27), defense attorney Gerald Ingram said in court documents.

“The defendant's proffered plea of no contest is the result of religious/church doctrine and not the product of legal analysis,” Ingram wrote. “In the opinion of defense counsel, such a plea is premature and not in the defendant's best interest.”

Ingram has asked U.S. District Judge Benita Pearson to instead enter a plea of not guilty on Beachy's behalf. He said he anticipates federal prosecutors also would oppose a no-contest plea, although a spokesman for the U.S. attorney's office said prosecutors continue to research the issue and are not convinced such a plea would be inappropriate.

No-contest pleas are common in state and local courts but are rare in federal courts. By pleading no contest, a defendant neither admits nor disputes a criminal charge. While technically not a guilty plea, it results in a finding of guilty and usually does not affect sentencing.

The Beachy case has brought consternation and embarrassment to members of Sugarcreek's Amish community, who prefer to settle issues among themselves and without the involvement of the U.S. court system.

Beachy has only a 10th-grade education, but federal prosecutors contend he was able over 20 years to raise an estimated \$33 million from 2,600 investors -- many of them fellow members of the Amish community.

According to fraud charges filed last February by the Securities and Exchange Commission, Beachy convinced investors that he had discovered a magic formula for earning them higher returns on U.S. government securities than traditional banks could deliver.

In reality, prosecutors say, Beachy had set up a Ponzi scheme, seeking new investors to make up for \$16.8 million that he lost in speculative investments such as risky stocks, mutual funds and junk bonds.

The infamous Bernard Madoff used such a scheme to cheat investors out of an estimated \$18 billion by the time he was caught in 2008. It was the largest investment swindle in U.S. history and earned Madoff a sentence of 150 years in prison.

Beachy faces up to 20 years in prison if he is convicted of fraud.