

# One of Apple's Former Top Lawyers Faces Criminal Charges for Insider Trading

Gene Levoff – who was senior director of corporate law and corporate secretary until September 2018 – has been charged by the SEC with trading “on material nonpublic information about Apple’s earnings three times during 2015 and 2016,” according to the lawsuit filed in the U.S. District Court of New Jersey, [reports Forbes](#).

*Forbes* contributor [Peter Cohan](#) writes that the 44-year-old Levoff worked at Apple from 2008 until he was terminated in September 2018. At the time of his termination, he reported directly to the general counsel.

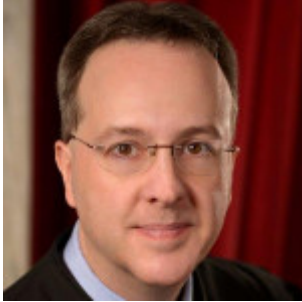
*Fortune* [reports](#) that the SEC alleged Levoff traded on advance knowledge of revenue-and-earnings figures multiple times dating back to 2011, with the illegal investments leading to about \$227,000 in profits while allowing him to avoid \$377,000 in losses.

[Read the Fortune article.](#)

[Read the Forbes article.](#)

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# Former WV Supreme Court Justice Sentenced to 24 Months in Federal Prison



Former West Virginia Supreme Court justice Allen Loughry, author of a book chronicling political corruption, was sentenced Wednesday to 24 months in federal prison on 10 federal charges including mail fraud and wire fraud, [reports](#) the *Charleston Gazette-Mail*.

Loughry also was placed on three years supervisory release, fined \$10,000 and ordered to pay \$1,273 in restitution, according to the *Gazette-Mail*'s [Phil Kabler](#).

The charges against Loughry, who resigned from the court last October, included misuse of state vehicles and credit cards for personal travel; lying to federal investigators about that travel, as well as about having a state-owned antique desk in his home; and defrauding a legal institute by accepting a travel reimbursement when he had used a state vehicle for the trip.

[Read the \*Gazette-Mail\* article.](#)

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# Houston Federal Judge Bars Female Prosecutor From Trial, Sparking Standoff With U.S. Attorney's Office



U.S. District  
Judge Lynn N.  
Hughes.

A federal judge banished a female prosecutor from his Houston courtroom last month, sparking a rare standoff between the new U.S. Attorney and a jurist with a history of sniping at lawyers, government officials and litigants, [reports](#) the *Houston Chronicle*.

“U.S. District Judge Lynn N. Hughes, a 77-year-old appointed by President Ronald Reagan, has been criticized in the past for making comments perceived as racist or sexist in court, write the *Chronicle*’s [Gabrielle Banks](#) and [Lise Olsen](#).”

Hughes has twice ejected Assistant U.S. Attorney Tina Ansari before trials, claiming she lacked ability and integrity, records show.

Ansari was involved in a 2017 court session in which Hughes said, “It was a lot simpler when you guys wore dark suits, white shirts and navy ties... We didn’t let girls do it in the old days.” The 5th U.S. Circuit of Appeals found his remarks

to be “demeaning, inappropriate and beneath the dignity of a federal judge.”

[Read the \*Houston Chronicle\* article.](#)

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## Bezos Allegations Could Upend American Media’s Deal With Feds



Bloomberg is [reporting](#) that Jeff Bezos’s allegations that he was blackmailed by American Media Inc. could upend the non-prosecution agreement the publisher of the National Enquirer struck last year with federal prosecutors in New York over its illegal aid to the Trump campaign.

Bloomberg’s [Edvard Pettersson](#) explains:

“Under the Sept. 20 agreement, the tabloid publisher was supposed to refrain from all illegal activity for a three-year period. The agreement says that if New York-based AMI commits any crime, it can be prosecuted for the ones it was granted immunity against, including perjury and obstruction of justice.”

Robert Schwartz, an attorney with Quinn Emanuel Urquhart &

Sullivan LLP in Los Angeles, said AMI may claim that the emails are between lawyers who are trying to resolve a dispute.

[Read the Bloomberg article.](#)

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## **Ex-Attorney on the Run After Failure to Report to Jail; His Mother Was Found Dead**

The *ABA Journal* [reports](#) that a disbarred Georgia attorney facing 15 years in jail for defrauding clients out of their settlement checks remains on the run after police suspect that he stabbed his 77-year-old mother to death over the weekend.

“Richard Merritt, a former personal injury and medical malpractice lawyer from Smyrna, Georgia, was ordered to report to the Cobb County Jail on Friday after pleading guilty in January to more than 30 counts of felony, including theft, forgery and elder-exploitation charges related to crimes committed against 17 former clients.” writes the *Journal*’s [Amanda Robert](#).

Merritt had been free “to get his affairs in order,” according to a local TV station.

[Read the ABA Journal article.](#)

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# BigLaw Partner Files \$20M Suit Claiming Rape By Bartender

*The ABA Journal* [reports](#) that a partner at a large international law firm in Houston has filed a \$20 million suit claiming a bartender at Brennan's of Houston spiked her drink with a drug and later raped her at her home.

The woman and her law firm are not identified in the lawsuit, according to the *Journal's* [Debra Cassens Weiss](#). The suit names the bartender, Sean Kerrigan, and a restaurant manager who accompanied Kerrigan to the plaintiff's home.

Kerrigan was criminally charged in July with raping the plaintiff and another woman in a later assault, but he died in November.

The plaintiff is in treatment for post-traumatic stress disorder, according to the lawsuit.

[Read the ABA Journal article.](#)

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# Dentons Associate Duped into Transferring \$2.5 Million to Fraudster's Account



An associate at Dentons Canada fell victim to a scammer who posed as a mortgage company representative and two bank officials to persuade him to transfer \$2.5 million into the fraudster's account.

A decision in a Toronto court revealed that the associate sent the money from a property sale to a Hong Kong bank account after he received emails requesting the transfer in a business deal, according to [a report](#) in the *ABA Journal*.

The *Journal's* [Debra Cassens Weiss](#) reports:

“The fraudster had sent emails to the associate in early January 2017 advising that money from the property sale should be wired to Hong Kong because of an audit of the mortgage company's account. Dentons called the mortgage company, Timbercreek Mortgage Servicing, to confirm the Hong Kong account information but did not receive a call back, according to [the judge].”

The case came to light over litigation involving the firm's insurance coverage.

[Read the \*ABA Journal\* article.](#)

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# Ex-Lawyer Gets Nearly 4 Years in Prison for Embezzling From Clients and Law Firm

A former Oregon lawyer who stole money from her clients and used it to pay her mortgage, do landscaping projects at her home and subsidize lavish vacations and plastic surgery was sentenced Thursday to nearly four years in federal prison, reports [The Oregonian](#).

“[Pamela S.] Hediger worked from 2010 to 2017 as an attorney, president and managing shareholder at Evashevski, Elliott, Cihak & Hediger law firm, focusing on personal injury cases. While at the firm, she embezzled money from the firm’s client trust and business operating accounts, according to prosecutors,” explains *The Oregonian*’s [Maxine Bernstein](#).

In addition to the prison sentence, Hediger also was ordered to pay \$1.9 million in restitution, \$471,399 in outstanding federal income tax and forfeit her Corvallis home.

[Read the Oregonian article.](#)

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# Lawyer Whose Boozy Brag Led to Insider Trades Can't Ditch Verdict

Bloomberg Law [is reporting](#) that a former Hunton Andrews Kurth partner is stuck with securities fraud and conspiracy convictions after his drunken brag led to insider trading before a Pfizer merger, the Second Circuit said Jan. 10.

Robert Schulman was a Washington-based partner with Hunton & Williams, now Hunton Andrews Kurth, working on a patent dispute involving King Pharmaceuticals when he learned of the potential merger of King and Pfizer in August 2010.

He made reference to that deal to his investment adviser, Tibor Klein, at a dinner less than two weeks later. Klein "purchased 65,150 King shares for \$585,217 in various accounts" and made a profit in less than two months when the merger became public, the opinion said.

[Read the Bloomberg Law article.](#)

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## General Counsel Named in Corruption Probe Subpoenas

# Resigns

Cleveland.com [reports](#) that Emily McNeeley, general counsel for Cuyahoga County's troubled IT Department and one of several people named in subpoenas related to an ongoing corruption investigation, has resigned from her \$95,000-a-year job,

The county reported the resignation Tuesday, according to Cleveland.com's [Courtney Astolfi](#).

McNeeley was placed on unpaid leave in April after corruption investigators repeatedly named her, and her boss, IT Director Scot Rourke, in subpoenas served on the county. The cases refer to potential conflicts of interest, the report says.

[Read the Cleveland.com article.](#)

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## 'The Dark Overlord' Didn't Hack Systems, Husch Blackwell Says



A hacker group calling itself "The Dark Overlord" threatened to release documents relating to insurance litigation over the Sept. 11 attacks on the World Trade Center that it stole from Husch Blackwell, but now the firm says its systems weren't hacked.

The group says it has 18,000 documents that include emails and nondisclosure documents sent and received by two insurers and a Husch Blackwell predecessor firm, according to [a report](#) in the *ABA Journal*. The group is seeking a ransom paid in bitcoin.

In a statement, Husch Blackwell said: “After a thorough review, Husch Blackwell can confirm that no documents were obtained from Husch Blackwell, and that there was no unauthorized access to Husch Blackwell systems, client files, documents or data.”

[Read the ABA Journal article.](#)

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## **Chicago Alderman Charged in Alleged Extortion to Get Business for His Law Firm**



Image by [Kate Gardiner](#)

A federal criminal complaint unsealed Thursday charged Chicago alderman Edward Burke with attempted extortion for allegedly using his position as alderman to try to steer business to his private law firm from a company seeking to renovate a fast-food restaurant in his ward, the *Chicago Tribune* [reports](#).

The charge carries a maximum of 20 years in prison on conviction.

“The complaint details Burke’s repeated attempts to pressure the executives into hiring his law firm, Klafter & Burke, including during a June 2017 lunch meeting at the swanky Beverly Country Club at 87th Street and South Western Avenue. The FBI had the meeting under surveillance,” writes the *Tribune*’s [Jason Meisner](#).

[Read the \*Chicago Tribune\* article.](#)

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## **Nissan Ex-Chairman to Get a Day in Court Almost Two Months After Shock Arrest**



Image by [Norsk Elbilforening](#)

Carlos Ghosn will finally see the inside of a Japanese court room next week, almost two months after his arrest on financial crimes, reports [Bloomberg](#).

Ghosn's lawyer said his client will attend a hearing of the Tokyo district court on Jan. 8 in an effort to obtain an explanation on why the former Nissan Motor Co. chairman – who was taken into custody Nov. 19, and has had his detention extended repeatedly – remains in jail.

Bloomberg's [Kae Inoue](#) reports: "While Ghosn has been indicted by Japanese prosecutors on allegations of under-reporting his compensation, the length of his detention and the lack of clarity provided on the case has drawn criticism."

[Read the Bloomberg article.](#)

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# Thousands Say Judge Who Gave

# Baylor Frat President Probation, Not Prison, in Rape Case Must Go

Thousands of people are demanding the resignation of a Texas state district judge in Waco who accepted a plea deal for an accused rapist that sentenced the student to probation rather than prison, [reports](#) *The Dallas Morning News*.

Reporter [Sarah Sarder](#) explains:

“Judge Ralph Strother of the 19th District Court of Texas approved the plea deal for Jacob Walter Anderson. The plea deal includes three years of probation, a \$400 fine and an order to seek unspecified counseling. Former Baylor fraternity president Jacob Walter Anderson, 23, of Garland was allowed to plead no contest Monday to a charge of unlawful restraint. Anderson will not be required to register as a sex offender.”

As of Friday morning, the online petition calling for Strother to be removed from office had more than 30,000 signatures.

[Read the \*Morning News\* article.](#)

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# Cash ‘Sandwiches’: Charges Detail ‘Brazen’ Fraud by Bloomberg Executives



Indictments unsealed Tuesday in New York State Supreme Court described a wide-ranging scheme involving three companies to steal at least \$15 million from Bloomberg L.P., the giant financial information and media company, through bribes, kickbacks and bid rigging.

Manhattan district attorney Cyrus R. Vance described it as a “brazen” scheme lasting more than a decade.

*The New York Times* [reports](#) that the district attorney and state police said the case involves possible fraud, theft and bribery charges involving senior New York executives in Bloomberg’s global construction and facilities department.

*Times* reporter [Charles V. Bagli](#) explains how – according to investigators – contractors and executives exchanged texts that used code words to coordinate the scheme:

“Among the conspirators, ‘sandwich’ was code for bribes or kickbacks, prosecutors said. The contractor wanted to know if the executive, Vito Nigro of Turner Construction, was satisfied with the thick envelope stuffed with cash that had been delivered to his office the prior day, according to the indictment.”

[Read the NY Times article.](#)

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# Incoming New York AG Plans Wide-Ranging Investigations of Trump and Family



**Letitia James**

*Image by*

[Thomas Good](#)

NBC News [is reporting](#) that New York Attorney Gen.-elect plans to launch sweeping investigations into President Donald Trump, his family and “anyone” in his circle who may have violated the law once she settles into her new job next month.

“We will use every area of the law to investigate President Trump and his business transactions and that of his family as well,” James, a Democrat, told NBC News in her first extensive interview since she was elected last month.

NBC reporter writes that James campaigned on passing a bill to change New York’s double jeopardy laws with an eye on possible pardons coming out of the White House. That change would allow



her to pursue state charges against anyone the president were to pardon over federal charges or convictions and whose alleged crimes took place in the state.

[Read the NBC News article.](#)

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## **Court Warns: Disbarment for Anonymous Online Posts is Lesson for Other Lawyers**

A former federal prosecutor has been disbarred for posting anonymous online comments about cases being handled by himself or by his office, according to reports from the [ABA Journal](#) and the [Legal Profession Blog](#).

The Louisiana Supreme Court ordered the disbarment of Sal Perricone, finding he had violated ethics rules because his “caustic, extrajudicial comments about pending cases strikes at the heart of the neutral “dispassionate control which is the foundation of our system.”

“Perricone had posted more than 2,600 comments on nola.com, the website of the New Orleans Times-Picayune, between November 2007 and March 2012. Between 100 and 200 comments related to matters being prosecuted by Perricone’s office,” according to *Journal* reporter [Debra Cassens Weiss](#).

[Read the ABA Journal article.](#)

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# Justice Department Charges 4 Over Panama Papers Tax Schemes



*The Washington Post* [reports](#) that the Justice Department charged four people Tuesday with scheming for decades to hide tens of millions of dollars from the Internal Revenue Service – the first U.S. indictment over alleged tax evasion revealed in 2016 through the Panama Papers.

*Post* reporter [Devlin Barrett](#) writes that those charged include a former investment manager, a former U.S. resident, an American accountant and a Panamanian lawyer who once worked for the “firm at the center of the case, Mossack Fonseca.

“The 11-count indictment unsealed in New York marks the first time the U.S. government has charged anyone with tax crimes related to the firm – and authorities suggested others could soon be charged,” according to Barrett.

[Read the \*Washington Post\* article.](#)

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# Dallas Cryptocurrency CEO Faces Charges of Scamming Investors Out of \$4 Million

The CEO of Dallas-based AriseBank was arrested by the FBI on Wednesday for allegedly duping hundreds of investors out of more than \$4 million in a splashy cryptocurrency scheme that promised federally insured accounts and brand-name credit cards, *The Dallas Morning News* [reports](#).

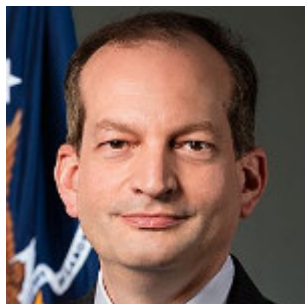
Jared Rice Sr.'s arrest followed his indictment on three counts each of securities fraud and wire fraud, said Erin Nealy Cox, U.S. Attorney for the Northern District of Texas, according to *Morning News* business editor [Paul O'Donnell](#).

Rice was accused of lying to would-be investors by claiming that AriseBank could offer consumers FDIC-insured accounts and traditional banking services, including Visa-brand credit and debit cards, in addition to cryptocurrency services..

[Read the \*Morning News\* article.](#)

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# Newspaper Report Foils Trump Labor Secretary's Chances of Being the New AG



Labor Secretary Alexander Acosta is out of the running to be President Donald Trump's attorney general following a [Miami Herald](#) report that he oversaw a sweetheart deal for a wealthy financier accused of sexually abusing dozens of underage girls, according to two people close to the president.

Acosta was a federal prosecutor in Florida before going to Washington, the two advisers said.

*Herald* report Anita Kumar explains:

The investigation, which reported that Acosta, then U.S. attorney, cut a secret deal to allow billionaire Jeffrey Epstein to serve only 13 months in a county jail, is "clearly something" that is being widely circulated among Trump aides, one of the people said. The agreement "essentially shut down an ongoing FBI probe" and granted immunity to "any potential co-conspirators," according to the story.

[Read the \*Miami Herald\* article.](#)