

# [New Jersey GC Sentenced to Prison in \\$2.4M Timeshare Scam](#)

The *Philadelphia Business Journal* [is reporting](#) that the former general counsel of an New Jersey timeshare consulting service was sentenced to a year in prison for conspiring to obstruct justice in a federal criminal case tried in 2013, federal prosecutors in New Jersey said.

Joshua L. Gayl, 37, was GC of the Vacation Financial, which offered phony consulting services to owners of timeshares, reports [Jeff Blumenthal](#).

Gayl pleaded guilty in March 2016 to a criminal information charging him with one count of conspiracy to obstruct justice.

“Gayl admitted that he misled a witness after learning that the witness told the FBI about being defrauded by V0. Prosecutors said he contacted the witness, hoping to obtain statements favoring the defense at trial. He offered the witness assistance in exchange for the information given to authorities” writes Blumenthal.

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

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# Disgraced Fugitive Lawyer Sentenced in Absentia to 12 Years in Prison

A federal judge sentenced disgraced former disability lawyer Eric C. Conn to 12 years in prison Friday even though Conn is a fugitive, according to [a report](#) in the *Lexington Herald-Leader*.

U.S. District Judge Danny C. Reeves imposed the sentence in absentia against Conn in federal court in Lexington, KY. The 12-year sentence was the maximum for the two charges covered in a plea deal that was in place.

Reporter Bill Estep writes that Conn, 56, was once one of the top disability lawyers in the country, representing thousands of people in successful claims for benefits from the Social Security Administration and making millions in fees. But then in March Conn pleaded guilty to stealing from the government and paying illegal gratuities to a Social Security judge.

The conspiracy outlined by Conn included using false evidence of clients' physical or mental disabilities in their claims. Some doctors were paid to sign forms with little scrutiny, and Conn bribed the Social Security judge to approve claims.

[Read the Herald-Leader article.](#)

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# Ex-American Realty CFO Convicted of Falsifying Company's Accounts

The former chief financial officer of American Realty Capital Properties Inc was convicted on Friday of deceiving investors by inflating the real estate investment trust's financial statements, [Reuters reports](#).

A three-week trial in federal court in New York ended with Brian Block guilty of fraud and conspiracy.

American Realty shares lost about \$4 billion in market value on one day in 2014 after the company said employees intentionally concealed accounting errors.

"Block was charged with securities fraud and conspiracy last year," writes [Brendan Pierson](#). "Prosecutors said that in July 2014, he plugged fake numbers into a spreadsheet that was used to prepare the company's financial report for the second quarter of that year in order to disguise a calculation error in a previous report."

[Read the Reuters article.](#)

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# [Ex-WellCare General Counsel Pleads Guilty in Florida Medicaid Case](#)

Reuters [is reporting](#) that an ex-general counsel of insurer WellCare Health Plans Inc. pleaded guilty on Wednesday in federal court in Tampa to having made a false statement to Florida's Medicaid program, prosecutors said, the latest former executive to be convicted in the case.

Thaddeus Bereday, indicted along with four other former WellCare executives in 2011, faces a maximum of five years in prison.

"Bereday's plea came after the U.S. Supreme Court in April declined to hear an appeal by former WellCare Chief Executive Todd Farha of his fraud conviction for his role in a scheme to cheat the Medicaid health insurance program for the poor," writes reporter [Nate Raymond](#).

[Read the Reuters article.](#)

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# Shkreli Described by Prosecutors as Spinning 'Lies Upon Lies'

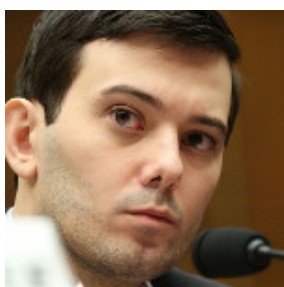


Image by [OversightandReform](#)

Pharma Bro Martin Shkreli is a liar who ripped off his clients, a prosecutor told jurors, according to a [Bloomberg report](#).

Reporters [Patricia Hurtado](#) and [Misyrlena Egkolfopoulou](#) write that his lawyer said the former fund manager may be nuts, but he's also a genius who made millions for his investors.

Shkreli is accused of fraud in relation to his control of two hedge funds he ran as well as Retrophin Inc., a pharmaceutical company he founded in 2011. Prosecutors characterize him as a con man.

The defense paints Shkreli as an investment genius, prosecutors point out that he repeatedly lost money for investors and lied to them.

[Read the Bloomberg article.](#)

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# [DLA Piper Victim of Massive Malware Attack](#)

Bloomberg Law [reports](#) that the global law firm DLA Piper fell victim on Tuesday to a widespread cyber attack, which reportedly disabled networks at dozens of companies.

“The firm, like many other reported companies, has experienced issues with some of its systems due to suspected malware. We are taking steps to remedy the issue as quickly as possible,” according to a statement the firm posted on its website.

“But calls and emails to the firm either failed or went unanswered. The U.K.’s Legal Week reported that the attack had ‘knocked out phones and computers across the firm,’ including in Europe, the Middle East and the U.S.,” writes [Gabe Friedman](#).

The Petya virus has been spreading, locking companies out of their networks and demanding a ransom in cryptocurrency to unlock them.

[Read the Bloomberg article.](#)

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# Former Tax Judge Sentenced To Prison for Tax Fraud



Former Minnesota Tax Court Judge Diane Kroupa is headed to prison for tax fraud, reports [Minnesota Lawyer](#). Her husband, a self-employed lobbyist and political consultant, also received a shorter sentence.

Judge Wilhelmina M. Wright in U.S. District Court in St. Paul sentenced Kroupa to 34 months in prison and Robert Fackler to 24 months. They must pay \$457,104 in joint restitution, writes reporter [Barbara L. Jones](#).

Both defendants entered guilty pleas, admitting to conspiring to obstruct the IRS by claiming personal expenses as business expenses. Those expenses included vacations, Pilates classes, upkeep and renovation and utilities for their home, and more.

[Read the Minnesota Lawyer article.](#)

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# [Disbarred Lawyer Arrested in Florida After at Least 18 Months on the Lam](#)

A disbarred Georgia lawyer accused of stealing client money was arrested last weekend in Florida after going missing for at least 18 months, reports the [ABA Journal](#).

Douglas J. Mathis was scheduled to appear in a Georgia court in late 2015 on a theft charge for allegedly transferring client money into his own account, the [Florida Times-Union](#) reports.

“Six months later, the original charge of theft by deception was combined with eight other theft by conversion charges in a racketeering indictment, according to the article. He is accused of using his law office to embezzle clients’ money,” writes [Debra Cassens Weiss](#).

[Read the ABA Journal article.](#)

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# [Prominent California Lawyer Convicted of Embezzling](#)



## [\\$300,000](#)

A California federal jury convicted Manhattan Beach lawyer and former Body Glove employee James R. Miller on Monday of embezzlement and tax evasion for stealing more than \$300,000 from the internet sales company he oversaw as president from 2009 to 2012, reports [The Beach Reporter](#).

Miller, 68, could be sentenced up to 20 years in prison and fined \$250,000.

“Miller was convicted of writing dozens of checks for personal gain during his time as president of MWRC Internet Sales LLC and failing to account for that income on his federal tax filings. He was convicted of five counts of wire fraud and filing false taxes,” writes reporter David Rosenfeld.

The investigation began after the then-president of Body Glove notified the Federal Bureau of Investigation about her suspicions.

[Read The Beach Reporter article.](#)

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## [Client of Disgraced Lawyer: 'Everybody Knew He Would Run'](#)

At the time he was arrested for defrauding taxpayers of \$600

million, disability attorney Eric Conn spoke multiple languages, had crossed the border 140 times in the past decade and had told at least six people he would flee the country instead of going to jail, reports the [Associated Press](#).

A federal judge released Conn on \$1.25 million bail last year, and then on Saturday, one month before a judge was supposed to sentence him to prison, Conn removed his electronic monitoring device and disappeared, writes the AP's Adam Beam.

Some of his former clients who lost their primary source of income because of his scheme said their only surprise was that the system that let him leave.

[Read the AP article.](#)

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## [Judge 'Sick And Tired of Lawyers From White-Shoe Law Firms' Helping Clients Avoid Charges](#)

[Bloomberg reports](#) an exasperated federal judge who sentenced an Och-Ziff Capital Management Group LLC consultant to prison posed a question that prosecutors have yet to satisfactorily answer: Why has no one else been charged in a sprawling bribery case?

"I'm sick and tired of lawyers from white-shoe law firms

marching into my courtroom and getting a deferred-prosecution agreement for their clients,” said U.S. District Court Judge Nicholas Garaufis in his Brooklyn court. “We have a law, so someone should go out and enforce it.”

He sentenced Samuel Mebiame, the 43-year-old son of the former prime minister of Gabon, to two years behind bars for paying bribes and acting as a “fixer” to help Och-Ziff with lucrative mining deals in Africa, reports [Patricia Hurtado](#).

Garaufis demanded to know why the hedge fund got a deferred-prosecution deal last year that will result in the dismissal of criminal charges if it stays out of trouble for the next three years.

[Read the Bloomberg article.](#)

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## [Family of Slain Lawyer Think They've Identified Murderer. So Why Can't the Cops Solve the Case?](#)

Soon after prominent Dallas lawyer Ira Tobolowsky died in a fire in his garage, investigators asked his family if he had any enemies. They responded that they could make a long list of people Ira had defeated or angered at one time or another. But among them, one stood out.

[\*D Magazine\*](#) covers the family's own inquiries that focused on a former legal foe. Steven Aubrey is the son of one of Tobolowsky's clients. The client was involved in an inheritance battle with her son, whom she believed had come unhinged, writes [Jamie Thompson](#).

During a contentious legal fight, Aubrey accused Tobolowsky of bribery, witness tampering, and a host of other crimes and at one time compared him to an "ISIS butcher." The lawyer filed a defamation suit against Aubrey.

"The Tobolowsky family worries whether the Dallas police have the resources to find Ira's killer. They've pinned their hopes on private investigators. Late last year, they learned Aubrey and [his domestic partner] had moved to Florida. The men live in a bungalow surrounded by palm trees," according to the magazine.

[Read the \*D Magazine\* article.](#)

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## [Lawyer Who Founded 'Copyright Trolling' Prenda Law Is Disbarred](#)

John Steele, one of the masterminds behind the Prenda Law "copyright trolling" scheme, has been disbarred, [reports Ars Technica](#).

Steele agreed to the disbarment two months after pleading guilty to federal fraud and money laundering charges.

Reporter [Joe Mullin](#) writes that Steele said he and a co-defendant, Paul Hansmeier, made more than \$6 million over a two-year period with “sham entities” that threatened Internet users with copyright lawsuits.

Steele “conspired to extort settlement funds from thousands of Internet users in a multi-jurisdictional copyright litigation scheme,” Illinois attorney regulators said in a statement of charges. “Specifically, they attempted to exact settlements from users who allegedly infringed on the copyrights of certain pornographic movies, including movies that Mr. Steele himself produced and distributed.”

[Read the Ars Technica article.](#)

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## [Hackers Face \\$8.9 Million Fine for Law Firm Breaches](#)

Three Chinese stock traders were ordered to pay \$8.9 million in fines and penalties for hacking into two law firms and stealing information on upcoming mergers and acquisitions and then leveraging the information to trade stocks, according to a [Dark Reading report](#).

A federal court in New York found that the three hackers

installed malware on the law firms' computer networks, enabling them to view emails on mergers and acquisitions in which the firms were involved. Then they used that information to buy stock in at least three public companies prior to their merger announcements, according to the Securities and Exchange Commission.

The firms aren't identified in the complaints, but [Law360 reports](#) they appear to be Weil Gotshal & Manges and Cravath Swaine & Moore, based on information in charging documents.

[Read the Dark Reading article.](#)

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## [Former Executive at Bankrupt NYC Law Firm Convicted of Fraud](#)

The former chief financial officer of Dewey & LeBoeuf, once one of the nation's largest law firms, has been convicted for hiding "severe financial challenges" that eventually led to the firm's bankruptcy, reports [The New York Times](#).

"A jury in Manhattan convicted Joel Sanders, the law firm's former chief financial officer, on three criminal counts arising from what prosecutors said was a scheme to hide the firm's failing finances from financial backers," write [Matthew Goldstein](#) and Liz Moyer.

The jury acquitted the firm's former executive director, Stephen DiCarmine, of the same charges.

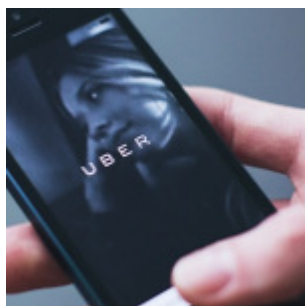
Sanders' guilty verdicts came on charges of securities fraud, scheme to defraud and conspiracy.

[Read the NYT article.](#)

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## [Uber Faces Criminal Probe Over the Secret 'Greyball' Tool It Used to Stymie Regulators](#)



[Reuters is reporting](#) that the U.S. Department of Justice has begun a criminal investigation into Uber Technologies Inc.'s use of a software tool that helped its drivers evade local transportation regulators, two sources familiar with the situation said.

Reporters [Dan Levine](#) and [Joseph Menn](#) write that Uber has acknowledged the software, known as "Greyball," helped it identify and circumvent government officials who were trying to clamp down on Uber in areas where its service had not yet

been approved, such as Portland, Oregon.

“The criminal probe could become a significant problem facing the company that is already struggling with an array of recent business and legal issues,” they explain.

Some Uber employees told Reuters that the Greyball technique was used against suspected local officials who could have been looking to fine drivers, impound cars or otherwise prevent Uber from operating.

[Read the Reuters article.](#)

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## [Gustave Newman, Defense Lawyer in Sensational Cases, Dies at 90](#)

Gustave Newman, a criminal defense lawyer in a host of headline-grabbing cases who genially cajoled skeptical juries and cowed hostile witnesses with his booming baritone, died on Monday in Manhattan at the age of 90, reports [The New York Times](#).

“A lion of New York’s white-collar criminal defense bar, Mr. Newman achieved one of his greatest courtroom successes in 1993, when, after a contentious five-month trial, he managed to win the acquittal of Robert A. Altman, a Washington lawyer



who, with Clark M. Clifford, a former defense secretary, had been accused in a scandal involving global money-laundering and illegal transfer of capital,” writes [Sam Roberts](#). “The episode, involving the Bank of Credit and Commerce International, cost depositors an estimated \$12 million.”

Newman is believed by some to have tried 400 cases, according to the report.

[Read the NYT article.](#)

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## [Legendary Texas Lawyer Richard ‘Racehorse’ Haynes Has Died](#)

Legendary Houston attorney Richard “Racehorse” Haynes died early Friday morning, April 28, according to a statement from a family spokesman. He had had been in declining health for the past several years, the spokesman said.

“Haynes was one of the most well-known criminal defense lawyers in the country,” reports the [Houston Chronicle](#). “He made a name for himself in the 1970s, with cases including the State of Texas v. John Hill, when he represented a River Oaks surgeon accused of murdering his socialite wife. After the first trial ended in a hung jury, Hill was murdered in the driveway of his River Oaks mansion. The case was made the

subject of the Thomas Thompson book 'Blood and Money,' which was also turned into a movie."

He also represented Cullen Davis, the first billionaire indicted for murder in the U.S., and Pam Fielder, who was accused of killing her abusive husband. Reporter [Margaret Kadifa](#) writes that Haynes' defense on the Fielder case is now embodied in Texas law, giving women the right to defend themselves against abusers.

Criminal defense lawyer Chris Tritico said Haynes was easy-going until he stepped into a courtroom, Tritico said. He was legendary for his ability to take command of the courtroom, and effectively cross-examine witnesses.

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

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[\*\*On Trial for Bribery, Samsung Boss Lets Lawyers Do the Talking\*\*](#)



Image by  
[Samuel M.  
Livingston](#)

The third-generation leader of South Korea's top conglomerate was mostly silent at his first court appearance in what has been called the "trial of the century," as his lawyers labored to portray him as an innocent bystander in a graft scandal, [reports Reuters](#).

Jay Y. Lee, the 48-year-old de facto leader of Samsung Group, could face a prison sentence of up to 20 years on charges including bribery and embezzlement in a scandal that led to the ouster of President Park Geun-hye, writes [Joyce Lee](#).

"The leader of the smartphones-to-biopharmaceuticals business empire is the only founding family member among the country's most powerful conglomerates, called chaebol, to be indicted in a graft scandal that led to Park becoming South Korea's first democratically elected leader to be removed from office," according to the report.

[Read the Reuters article.](#)

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# [Disbarred Lawyer in Hot Water Over Unpaid \\$600,000 Restitution](#)

A disbarred Connecticut lawyer who owes more than \$600,000 for stealing money from a client was given a dressing down by a frustrated Stamford judge who was angered that the man had paid less than \$400 in restitution in five years, reports the [Stamford Advocate](#).

Benson Snaider pleaded guilty to felony charge of first-degree larceny in 2012 for misappropriating an \$800,000 check written by the city in 2005 for what turned out to be the partial payment for property to make way for the Stamford Urban Transitway, [John Nickerson](#) writes. Snaider received a five-year probated sentence and was ordered to pay \$680,000 in restitution.

A court earlier found him to be in violation of his probation because he had made only \$180,000 in restitution payments.

[Read the Stamford Advocate article.](#)

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