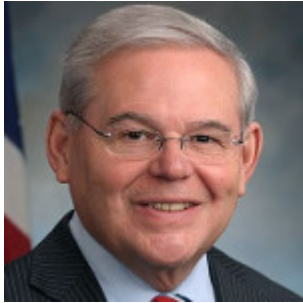


# Federal Judge Excoriates Sen. Menendez Prosecution Team



The judge overseeing the bribery trial of Sen. Robert Menendez ripped into prosecutors Thursday for trying to focus on what he called “tabloid” details – an unusual description for dry testimony about a series of emails about a hotel reservation, reports [\*The Washington Post\*](#).

“U.S. District Judge William Walls stopped testimony for 20 minutes in which he tongue-lashed prosecutors for their painstaking recounting of emails used to book a luxury hotel in Paris for the New Jersey Democrat in 2010,” writes reporter [\*Devlin Barrett\*](#). “The three-day hotel stay is a central part of the Justice Department’s case.”

At one point, the judge sent the jury out of the courtroom and then began chewing out Justice Department lawyers.

“Whether these defendants engaged in bribery does not depend on whether the senator chose a more expensive room. We’re not talking about Days Inn,” he said.

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

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# DOJ Fraud Section Assistant Chief Laura Perkins Joins Hughes Hubbard

Hughes Hubbard & Reed announced that Laura N. Perkins has joined the firm as a partner in its Anti-Corruption & Internal Investigations practice and White Collar & Regulatory Defense group.

Perkins was most recently an Assistant Chief for Foreign Corrupt Practices Act (FCPA) enforcement in the Fraud Section of the Department of Justice's Criminal Division. In her career at DOJ, she led or supervised hundreds of FCPA investigations and tried nearly two dozen cases involving a variety of frauds and other federal crimes.

In a release, the firm says:

In addition to her FCPA credentials, Perkins is an experienced trial lawyer and investigator who brings extensive insider knowledge of how DOJ investigates and prosecutes criminal cases and what DOJ expects from internal investigations, cooperating companies, and corporate compliance programs.

As an Assistant Chief of the FCPA unit, Perkins supervised and directed hundreds of complex investigations and prosecutions of companies, business executives, and others for violations of the FCPA and associated statutes. She assisted in the management of the FCPA unit and the FCPA program, formulating enforcement priorities and policies, determining whether potential violations warrant criminal investigation and prosecution, advising domestic and foreign law enforcement and regulators on questions of law and departmental policy, and coordinating and conducting training for domestic and foreign partners.

Perkins was closely involved in the development of the FCPA pilot program, which was designed to motivate companies to voluntarily self-disclose FCPA-related misconduct, fully cooperate with the Fraud Section, and remediate flaws in their controls and compliance programs.

She worked closely within the Fraud Section to develop internal policies regarding the training and oversight of corporate monitors in order to ensure that companies develop compliance programs that meet DOJ's expectations. By the end of her tenure at the Fraud Section, Perkins was supervising a majority of the section's corporate monitorships.

Perkins was previously a senior counsel in the Criminal Division's Office of the Assistant Attorney General; prior to that she was a senior trial attorney in the Fraud Section. As senior counsel to the Assistant Attorney General, she advised the Assistant Attorney General and other DOJ leaders and assisted in developing policies for the Criminal Division with regard to economic criminal prosecution. She has extensive experience as a trial lawyer – both at DOJ and in private practice. At DOJ alone, she handled nearly two dozen federal jury trials and bench trials, prosecuting FCPA, complex securities fraud, accounting fraud, health care fraud and other federal criminal cases.

Perkins represented the United States in international fora regarding global anti-corruption efforts, including in the Organization for Economic Cooperation and Development, and worked closely with foreign authorities to investigate and prosecute cross-border criminal cases.

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# [Samsung Lader Jay Y. Lee Given Five-Year Jail Sentence for Bribery](#)



Image by [KBS](#)

A South Korean court on Friday convicted Lee Jae-yong, the heir to the Samsung business empire, of bribery and embezzlement and sentenced him to five years in prison, in a dramatic break with the country's history of dealing light penalties to major business figures, [The New York Times](#) reports.

Reporters Jeyup S. Kwaak and Paul Mozur write that the verdict presents new challenges for the huge Samsung organization.

"The court ruled that Mr. Lee and four other Samsung executives paid \$6.4 million in bribes and other inducements to ensure that the country's disgraced former president, Park Geun-hye, supported a complicated corporate deal that strengthened Mr. Lee's grip on Samsung Electronics, the conglomerate's crown jewel," according to the *Times*.

[Read the NYT article.](#)

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# Mueller Uses Classic Prosecution Playbook Despite Trump Warnings



Bloomberg Law [describes](#) how special counsel Robert Mueller is following a time-tried strategy for looking into the Trump campaign's possible ties to Russia:

“Follow the money. Start small and work up. See who will ‘flip’ and testify against higher-ups by pursuing charges such as tax evasion, money laundering, conspiracy and obstruction of justice.”

Reporter Chris Strohm quotes Jeffrey Cramer, a former prosecutor who's now managing director of consulting firm Berkeley Research Group LLC: ““You go for the weakest link, and you start building up.”

Mueller's approach has been used for decades in criminal investigations, from white-collar fraud to mob racketeering.

[Read the Bloomberg article.](#)

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# [Seven Charged in U.S. Insider Trading Ring](#)

Reuters [is reporting](#) that U.S. authorities announced insider trading charges accusing seven people of generating more than \$5 million of profit based on tips from a Bank of America Corp. employee about dozens of pending corporate transactions.

The alleged tipster, Daniel Rivas, who later worked at Royal Bank of Canada, and James Moodhe, the father of Rivas' girlfriend, both pleaded guilty to charges of fraud, conspiracy, and making false statements to Federal Bureau of Investigation agents, report [Brendan Pierson](#) and [Jonathan Stempel](#).

“Prosecutors said Rivas, who worked in Bank of America’s capital markets technology group, leaked material nonpublic information about potential mergers, acquisitions and tender offers involving clients and prospective clients more than 50 times to co-conspirators, who then traded on the tips,” according to the report.

[Read the Reuters article.](#)

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# [He Forged Signatures of Judges Over 100 Times. Now This Lawyer Is Going to Jail](#)

Disgraced South Florida lawyer Jose Camacho – suspected of forging more than 100 judicial signatures on financial settlement cases – was sentenced Thursday to 364 days in jail, plus 10 years of probation, reports the [Miami Herald](#).

Camacho claims he didn't make any extra money off the illegal shortcuts. Instead, Camacho claimed, he was overwhelmed with work and merely wanted to avoid waiting for backlogged judges to sign off on the paperwork, writes [David Ovalle](#).

Broward Circuit Judge Marina Garcia-Wood – who appeared not on the bench but at the podium as a victim of Camacho's forgeries – put it more bluntly: "He was lazy. He was purely lazy."

[Read the Miami Herald article.](#)

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# [Ex-Fiat Chrysler Executive Charged in Union Official Payoff](#)

A former Fiat Chrysler executive has been charged with looting a training center for blue-collar workers by giving \$1.2

million through a variety of ways to a UAW leader, his wife and other senior union officials, according to an [Associated Press](#) report.

The ex-executive is Al Iacobelli, who was indicted in an alleged conspiracy involving the late United Auto Workers vice president General Holiefield and Holiefield's widow, Monica Morgan.

"The indictment describes a multiyear scheme to reward Holiefield and Morgan with first-class travel, designer clothing and jewelry. A \$262,000 mortgage on their home in suburban Detroit was paid off, according to the grand jury," write Ed White and Tom Krisher. "Iacobelli treated himself to more than \$350,000 for a Ferrari, the government alleged."

[Read the AP article.](#)

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## [Defense Lawyer: Shkreli Would Lose \\$65 Million If Convicted](#)

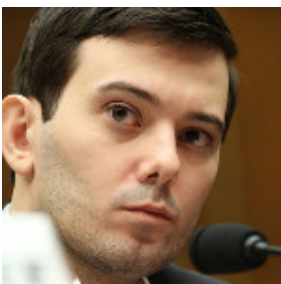




Image by  
[OversightandRe  
form](#)

A defense lawyer says former pharmaceutical CEO Martin Shkreli would lose a \$65 million stake in a drug company he founded if he's convicted at his securities fraud trial, reports the Associated Press through [ABC News](#).

The lawyer told jurors that a drug company official who testified against Shkreli was biased because the company would benefit financially if Shkreli is convicted of a felony.

"Shkreli is best known for raising the price of a life-saving drug by 5,000 percent and trolling his critics," the AP reports.

[Read the article.](#)

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## [Can the President Be Indicted? A Long-Hidden Legal Memo Says Yes](#)

A newfound memo from Kenneth W. Starr's independent counsel investigation into President Bill Clinton sheds fresh light on a constitutional puzzle that is taking on mounting significance amid the Trump-Russia inquiry: Can a sitting

president be indicted?

[The New York Times](#) reports that the 56-page memo, locked in the National Archives for nearly two decades and obtained by the newspaper under the Freedom of Information Act, amounts to the most thorough government-commissioned analysis rejecting a generally held view that presidents are immune from prosecution while in office.

Reporter [Charlie Savage](#) writes: “It is proper, constitutional, and legal for a federal grand jury to indict a sitting president for serious criminal acts that are not part of, and are contrary to, the president’s official duties,” the Starr office memo concludes. “In this country, no one, even President Clinton, is above the law.”

[Read the NYT article.](#)

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## [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.

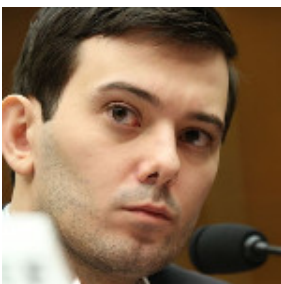
“Bereday’s plea came after the U.S. Supreme Court in April declined to hear an appeal by former WellCare Chief Executive Todd Farha of his fraud conviction for his role in a scheme to cheat the Medicaid health insurance program for the poor,” writes reporter [Nate Raymond](#).

[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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