

SCOTT ROTHSTEIN SCANDAL

Law firm employees investigated

Prosecutors say other employees in Scott Rothstein's now-defunct law firm may have participated in his massive Ponzi scheme.

BY JAY WEAVER

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Some employees in Scott Rothstein's now-bankrupt law firm apparently played criminal roles in his \$1 billion-plus investment racket, a federal prosecutor says.

Assistant U.S. Attorney Lawrence LaVecchio said in a new court filing that "other employees" in the former Fort Lauderdale firm "do have apparent criminal culpability" in the biggest investment scheme in South Florida history. He did not identify the employees.

The allegation suggests that certain lawyers and officers in the closed 70-attorney firm may be charged in the federal conspiracy case, which was filed against Rothstein alone in early December. Rothstein, now disbarred, plans to plead guilty later this month.

The prosecutor cited the allegation in response to a judge's question about whether Rothstein's lawyer, Marc Nurik, has possible conflicts of interest. Nurik worked at the Las Olas Boulevard firm before resigning in October to represent Rothstein.

On Wednesday, Rothstein, 47, told U.S. District Judge James Cohn that he will plead guilty to five racketeering conspiracy, fraud and money laundering charges on Jan. 27. Among the allegations: He used his former firm — Rothstein Rosenfeldt Adler — in the Ponzi scheme to sell fabricated legal settlements to wealthy investors.

But before then, the judge will hold a hearing next Wednesday on Nurik's representation of Rothstein, exploring "potential" conflicts.

In his filing, LaVecchio said that Rothstein's attorney is not under criminal investigation, noting that Nurik is "neither a target nor a subject" in the continuing probe.

But LaVecchio pointed out that Nurik's representation could pose "potential" conflicts because he once worked with other lawyers at the firm and could be called as a witness for Rothstein — raising a central question about defending him.

"As a former employee of RRA . . . Mr. Nurik has, at a minimum, professional relationships with other employees of RRA who do have apparent criminal culpability in the case, which could conceivably interfere with the undivided loyalty that Mr. Nurik owes to the defendant," LaVecchio wrote in the filing.

"Secondly, because Mr. Nurik was an employee at RRA, he may personally be in the position to provide exculpatory evidence on the defendant's behalf, which would be prohibited if Mr. Nurik persisted in his representation of the defendant," the prosecutor wrote.

LaVecchio proposed that Rothstein could resolve those conflicts for his lawyer by simply waiving them at next Wednesday's hearing. In effect, it would protect the pending plea agreement, which could send Rothstein to prison for 30 years to life.

Nurik said he has no conflicts and that Rothstein will indicate that to the judge Wednesday.

"Everybody knows that my first and foremost allegiance is to my client, and likewise it's clear that I have no exculpatory information," Nurik said.

According to sources familiar with the Rothstein investigation, other lawyers and officers in the now-defunct firm are under scrutiny. Among them: the law firm's former name partners Stuart Rosenfeldt and Russell Adler, along with Debra Villegas, chief operating officer, Irene Stay, chief financial officer, and David Boden, general counsel.

Their attorneys denied any wrongdoing.

[Lawyer Bruce Lehr](#), representing Rosenfeldt, has repeatedly said his client — who co-owned the firm with Rothstein — did nothing wrong.

"If Rothstein has been telling the truth to the government, then Rosenfeldt has nothing to fear," [Lehr](#) said.

Adler's lawyer, Fred Haddad, said: "I don't think Mr. Adler has done anything wrong or been complicit in any criminal activity. He has no knowledge of any criminal activity."

Boden also did nothing criminal, said his attorney David Vinikoor. "To me, it suggests they are not talking about Boden," he said, adding that he initiated a meeting for Boden with the FBI and federal prosecutors.

Stay's attorney, Brian Tannebaum, said: "I don't believe she has any criminal culpability."

Lawyer Paul Lazarus, asked if Villegas participated in any criminal activity, said: "I have no idea. I would think it might refer to some of the other attorneys."



ROTHSTEIN