

White Collar Group Of The Year: Dechert

By Rachel O'Brien

Law360 (December 14, 2020, 3:53 PM EST) -- Dechert LLP's white collar practice landed Goldman Sachs partner Andrea Vella a no-penalty settlement in the 1Malaysia Development Berhad scandal and persuaded a district judge to significantly reduce a jury award in a \$70 million false advertising case against Spanish carbon-steel flange manufacturer ULMA Piping, earning it a place among Law360's 2020 White Collar Groups of the Year.

One thing that sets Dechert's white collar practice apart from those at other international firms is that it has attorneys on the ground globally, said David Kelley, who runs the white collar practice group.

"The depth and scope of our team and the skill set is really remarkable when compared to other firms," he told Law360.

With a 110-attorney white collar team in offices in several U.S. cities, Hong Kong, London and Paris, the practice area is a focus for the firm and is one of the largest groups at Dechert, the firm said.

One international case the group worked on this year was coordinating a \$4 billion settlement with U.K., French and U.S. authorities, ending a four-year bribery and corruption investigation against European aerospace company Airbus SE.

The investigations were prompted by the company's self-reporting potential corruption to the U.K.'s Serious Fraud Office and later to French and U.S. authorities and involved more than 1,750 entities in almost every country where the company operates, the firm said.

Prosecutors granted Airbus a 50% penalty reduction for what it said was a thorough internal investigation and cooperation — a "template" for companies under investigation, Dechert's Caroline Black said.

The joint investigation between British and French authorities for this type of financial crime case was a first, Black said.

"It signaled a new way of cooperation between those two authorities," she said.

One of the other clients whose case came to an end without charges or with reduced fines was Goldman



Sachs partner Andrea Vella.

With Dechert's white collar team, Vella reached a no-penalty settlement with the U.S. Federal Reserve in February, and he has not been charged by any other authority involved in the 1MDB scandal. The scandal involved officials of the Malaysian sovereign wealth fund embezzling more than \$3.5 billion between 2009 and 2015, diverting it through shell companies and complex financial transactions.

Vella agreed to a permanent ban from the banking industry for his involvement in issuing bonds that others used to steal billions of dollars from 1MDB.

The white collar team represented ULMA Piping, a Spanish carbon-steel flange manufacturer, in a \$70 million false advertising case and in November 2019, and won an 80% reduction in the jury verdict award, from \$31 million to \$6.7 million.

U.S. pipe-making companies Boltex Manufacturing and Weldbend Corp. sued ULMA, alleging it undercut their business with false advertising and in September 2019, a Houston jury awarded the two companies \$31 million.

But after Dechert argued for a lower award, the judge agreed and slashed the figure.

"It was a real battle" during the jury trial, Kelley said. While it lost the trial, Dechert continued to put its effort into the post-verdict litigation.

While the white collar landscape has been fairly quiet with a less aggressive U.S. Department of Justice, spoofing cases have not slowed down, Kelley said.

Dechert's Roger Burlingame told Law360 that firm had defended clients including Deutsche Bank from spoofing charges, but one client in 2020 that stuck with him was "Flash Crash" trader Navinder Singh Sarao, a UK-based man with autism who was sentenced to time served and home confinement in January for making \$30 million by spoofing Chicago's S&P 500 E-mini futures market, placing orders to affect prices, not to trade and causing the 2010 "flash crash," erasing \$1 trillion in stock market value in mere minutes.

The 41-year-old "savant" made \$70 million from his bedroom in his parents' house, Burlingame said, seeing trading as a video game and obsessing over getting high scores by giving bad market actors a taste of their own medicine, his lawyers at Dechert said.

He pled guilty and asked for leniency, which the judge gave him, even though he was facing a lengthy sentence.

"There's a savant-ism element to it this, he has an other-worldly pattern-recognition ability," Burlingame said. "He is this genius trader beyond spoofing."

There was a lot of risk that he could go to jail for several years but good lawyering is understanding who your client is, Burlingame said, and he understood his client.

"He's got this wonderful personality, he's an extremely affable, an incredibly guileless person; he's like a puppy in human form."

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