

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
12-60078-CR-COHN/SELTZER
CASE NO.

18 U.S.C. § 371

UNITED STATES OF AMERICA

v.

STEVEN N. LIPPMAN,

Defendant.

_____ /

INFORMATION

The United States Attorney charges that, at all times relevant to this Information:

GENERAL ALLEGATIONS

1. Rothstein, Rosenfeldt and Adler, P.A. (hereinafter "RRA") was a law firm with offices located at 401 East Las Olas Boulevard, Fort Lauderdale, Florida in the Southern District of Florida and elsewhere. The law firm employed approximately seventy (70) attorneys and 150 staff members and engaged in the practice of law involving a wide range of specialties, including labor, employment, corporate, commercial and personal injury law. Scott Rothstein (hereinafter referred to as "Rothstein") was the Chief Executive Officer (CEO) and Chairman of RRA.

2. STEVEN N. LIPPMAN (hereinafter referred to as "LIPPMAN") was an attorney admitted to practice law in Florida and, in early 2005, was designated as a Shareholder of RRA, but had no equity interest in the firm.

3. Prior to becoming a Shareholder at RRA, LIPPMAN was a partner in the law firm of Lippman, Valinsky, and Storfer, P.A. (hereinafter referred to as "LVS"). LVS maintained an operating account at a branch of Equitable Bank (now known as First United Bank) in Fort

Lauderdale, Florida. The deposits of Equitable Bank were insured by the Federal Deposit Insurance Corporation. LVS ceased doing business in or about December 2005, except for the collection of outstanding receivables and the payment of outstanding obligations. Subsequent to the cessation of business by LVS, LIPPMAN continued to maintain the bank account of LVS at Equitable Bank.

4. RRA maintained bank accounts at the Fort Lauderdale, Florida branch of Colonial Bank, N.A. (now known as Colonial Branch Banking and Trust Company), Gibraltar Bank and Trust (now known as Gibraltar Private Bank and Trust Company), and Sterling Bank (now known as Iberiabank) (hereinafter referred to collectively as the "RRA bank accounts"). The deposits of Colonial Bank, N.A, Gibraltar Bank and Trust, and Sterling Bank were insured by the Federal Deposit Insurance Corporation.

5. John McCain (hereinafter referred to as "McCain") was a candidate in the 2008 federal election for the Presidency of the United States.

6. McCain Victory 2008, McCain-Palin Victory 2008, and McCain Victory Florida were joint fundraising committees that solicited and accepted contributions for McCain's 2008 primary and general election campaign, for the Republican National Committee and for various Republican state committees.

The Federal Election Commission
And Regulation Of Federal Elections

7. The Federal Election Commission (FEC) was an agency of the executive branch of the government of the United States that administered and enforced the Federal Election Campaign Act (FECA).

8. The FEC was responsible for providing accurate information to the public about the amounts and sources of campaign contributions, and it used quarterly reports to administer and enforce the FECA.

9. McCain Victory 2008, McCain-Palin Victory 2008, and McCain Victory Florida were required to file quarterly reports with the FEC identifying each person who made a contribution during the reporting period whose contribution or contributions for that calendar year aggregated over \$200.

10. Title 2, United States Code, Section 441f makes it unlawful for any person to make a contribution in the name of another, including reimbursing a third person, before or after the third person's contribution, as an inducement to make that contribution, or for any person to permit his or her name to be used to make such a contribution.

COUNT 1

1. From in or about early 2005 through in or about November 2009, in Broward County, in the Southern District of Florida and elsewhere, the defendant

STEVEN N. LIPPMAN,

knowingly and willfully combined, conspired, confederated, and agreed, with co-conspirator Rothstein and with other persons known and unknown to the United States Attorney:

(a) to commit an offense against the United States, that is, to knowingly and willfully violate the FECA by making contributions in the names of other persons, aggregating \$25,000 or more in a calendar year, in violation of 2 U.S.C. §§ 437g(d)(1)(A)(i) and 441f;

(b) to defraud the United States by impairing, impeding, obstructing, and defeating the lawful functions and duties of the FEC;

(c) to engage in a scheme and artifice to defraud a financial institution, in violation of Title 18, United States Code, Section 1344; and

(d) to defraud the United States by impairing, impeding, and obstructing the Internal Revenue Service in the ascertainment, computation, assessment and collection of federal income and employment taxes.

PURPOSE AND OBJECT OF THE CONSPIRACY

2. The purpose and object of the conspiracy was to generate money for defendant LIPPMAN and co-conspirators by: 1) dramatically increasing the political influence and power of RRA by utilizing some of the attorneys and administrative personnel of RRA, and others persons associated with RRA, as straw campaign contributors; 2) issuing checks drawn on accounts containing insufficient funds in order to unlawfully utilize the “float” period, in furtherance of a scheme commonly known as “check kiting”; and 3) receiving reimbursements from RRA for personal items as a way to disguise and conceal additional income and evade paying additional federal income and employment taxes.

MANNER AND MEANS OF THE CONSPIRACY

A. Campaign Finance Fraud

3. It was part of the conspiracy that co-conspirator Rothstein and other persons designated as Shareholders of RRA, including defendant LIPPMAN, attempted to dramatically increase the stature and political power of RRA on the federal, state, and local level by making substantial political contributions to political candidates.

4. It was further part of the conspiracy that co-conspirator Rothstein and other persons designated as Shareholders of RRA would utilize these contributions as a means to influence and

attempt to influence political officials on the federal, state, and local level in order to obtain political appointments for Rothstein and others and to obtain government contracts for RRA, Rothstein's businesses, and the businesses of RRA's clients.

5. It was further part of the conspiracy that, in order to dramatically increase the amount of political contributions, and thereby increase his influence, co-conspirator Rothstein enlisted some of the attorneys and administrative personnel of RRA, including defendant LIPPMAN, along with other individuals, to make political contributions to various political campaigns, including that of McCain. Co-conspirator Rothstein would "bundle" those contributions, and the McCain campaign would credit RRA for having secured those contributions.

6. It was further part of the conspiracy that, since many of the attorneys and administrative personnel of RRA, including defendant LIPPMAN, and other individuals, either had insufficient funds to contribute to the political campaigns and/or lacked the desire to contribute to the various political candidates selected by Rothstein, co-conspirator Rothstein enlisted defendant LIPPMAN and other individuals to contribute to the McCain campaign by agreeing that RRA unlawfully would provide to the attorneys, administrative personnel, and other individuals the funds utilized to make the political contributions to McCain.

7. It was further part of the conspiracy that, even though defendant LIPPMAN and other co-conspirators knew that the amount of campaign contributions that co-conspirator Rothstein and RRA could make to McCain and other candidates was limited by statute, during calendar year 2007 and calendar year 2008 defendant LIPPMAN and some of the attorneys, administrative personnel, and other individuals, made contributions to the presidential primary campaign of McCain, which unlawfully were provided by RRA.

8. It was further part of the conspiracy that, in or about May 2008, defendant LIPPMAN and an individual at his behest, co-conspirator Rothstein, and another RRA Shareholder and his spouse each made contributions to McCain Victory 2008 in amounts ranging between \$60,000 and \$75,000, respectively.

9. It was further part of the conspiracy that the “bundled” contributions made on behalf of RRA placed RRA as the nation’s top contributor to McCain Victory 2008.

10. It was further part of the conspiracy that, on or about the same day that defendant LIPPMAN made the contributions to McCain Victory 2008, defendant LIPPMAN received a check from RRA in the amount of \$140,000, which constituted the funds utilized for the contributions made by defendant LIPPMAN and the individual who contributed at his behest.

11. It was further part of the conspiracy that, in or about October 2008, defendant LIPPMAN and other Shareholders of RRA, one of their spouses, and one of the administrative personnel of RRA each made contributions to McCain-Palin Victory 2008, in amounts ranging from approximately \$30,000 to approximately \$67,800.

12. It was further part of the conspiracy that at or about the time defendant LIPPMAN made the contribution to McCain-Palin Victory 2008 in the amount of \$67,800, defendant LIPPMAN received a check from RRA in the amount of \$77,500, which constituted the funds utilized by him in making the contribution. The check was fraudulently backdated to reflect that it was issued six days prior to the date of the actual contribution and the memo section of the check stated “bonus.”

13. It was further part of the conspiracy that the “bundled” contributions made on behalf of RRA placed RRA as the nation’s top contributor to McCain-Palin Victory 2008.

14. It was further part of the conspiracy that, during calendar year 2008, some of the Shareholders of RRA and their spouses each made contributions to McCain Victory Florida, each in the amount of approximately \$40,000.

15. It was further part of the conspiracy that the “bundled” contributions made on behalf of RRA placed RRA as the nation’s second-leading contributor to McCain Victory Florida.

16. It was further part of the conspiracy that the total of all “bundled” contributions made on behalf of RRA placed RRA as the nation’s top total contributor to the joint fundraising committees for McCain, which included McCain Victory 2008, McCain-Palin Victory 2008, and McCain Victory Florida.

17. It was further part of the conspiracy that each of the contributions made by RRA Shareholders, their spouses, and administrative personnel to McCain-Palin Victory 2008, McCain Victory 2008, and McCain Victory Florida described above, were unlawfully provided by RRA.

18. It was further part of the conspiracy that the conspirators attempted to conceal the unlawful nature of the contributions by fraudulently claiming that the funds provided were in payment for bonuses or miscellaneous expenses.

19. It was further part of the conspiracy that, in or about May 2009, defendant LIPPMAN received a check for \$45,000.01 in order to compensate him for the additional federal income taxes due on the alleged “bonuses,” which were characterized as such in order to conceal the fact that the payments were utilized for non-deductible political contributions.

20. It was further part of the conspiracy that, due to all the “bundled” contributions made on behalf of RRA, co-conspirator Rothstein became a delegate to the 2008 Republican National Convention.

21. It was further part of the conspiracy that, due to fraudulently acquired and “bundled” contributions made on behalf of RRA to the Republican Party of Florida, co-conspirator Rothstein was appointed to the 4th District Judicial Nominating Committee, which is a committee that advised the Florida governor as to which persons should be nominated to be state appellate judges.

B. Check Kiting Scheme

22. It was further part of the conspiracy that, in or about 2006, RRA was experiencing financial difficulties and required a source of funds to maintain the law firm’s operations.

23. It was part of the conspiracy that, in or about February 2006, co-conspirator Rothstein requested that defendant LIPPMAN utilize the LVS bank account at Equitable Bank in order to issue a check to be deposited into one of the RRA accounts.

24. It was further part of the conspiracy that co-conspirator Rothstein requested that defendant LIPPMAN issue checks from the LVS bank account in amounts which sometimes exceeded the balance in the LVS bank account. Simultaneously, RRA or co-conspirator Rothstein would issue checks to LVS in approximately the same amount, or in an amount slightly higher than, the checks issued from the LVS account. The excess money deposited into the LVS bank account was to be used as a “nest egg” account, the profits of which were to be utilized for bonuses but were ultimately split among co-conspirator Rothstein, defendant LIPPMAN, and another co-conspirator.

25. It was further part of the conspiracy that, by simultaneously issuing and depositing checks between the LVS account and the RRA accounts, co-conspirator Rothstein and defendant LIPPMAN would artificially inflate checking account posted balances in each of the accounts, which allowed them to unlawfully obtain beneficial financing for RRA from the financial institutions

during the “float” period, which was the period of time that it took for the checks issued from LVS and RRA to clear.

26. It was further part of the conspiracy that co-conspirator Rothstein would, on occasion, tell defendant LIPPMAN to hold the check from RRA for a day or two and not to deposit it immediately in order to allow sufficient time for the checks issued by LVS to post to the RRA accounts.

27. It was further part of the conspiracy that, from in or about February 2006 through February 2008, defendant LIPPMAN issued checks in amounts ranging from \$4,000 to \$400,000, totaling approximately \$10,311,688, from the account of LVS. At the time many of the checks were written there were insufficient funds in the account of LVS. Defendant LIPPMAN also deposited, into the LVS account, checks issued from RRA accounts in amounts ranging from \$37,500 to \$330,000, totaling approximately \$10,664,987.

28. It was further part of the conspiracy that co-conspirator Rothstein, defendant LIPPMAN and their co-conspirators engaged in this fraudulent conduct in order to create the appearance that RRA was an affluent and successful law firm and in order to gain additional time to meet the financial obligations of RRA.

29. It was further part of the conspiracy that in or about early 2007, defendant LIPPMAN, co-conspirator Rothstein, and another co-conspirator each received an equal distribution from the “nest egg” account of approximately \$29,000.

C. Tax Fraud Scheme

30. It was further part of the conspiracy that defendant LIPPMAN and co-conspirator Rothstein agreed that defendant LIPPMAN would be paid a base salary and be given an expense

account for which he would be fraudulently reimbursed for personal expenditures disguised as deductible business expenses in order for defendant LIPPMAN and RRA to avoid paying additional federal income and employment taxes.

31. It was further part of the conspiracy that defendant LIPPMAN was paid from both the operating account and the payroll account of RRA, but would only receive an IRS Form W-2 reflecting the moneys paid to him through the payroll account.

32. It was further part of the conspiracy that defendant LIPPMAN would not report to the Internal Revenue Service the moneys paid to him by RRA for expenses.

33. It was further part of the conspiracy that, from in or about 2005 through mid-2006, RRA issued expense reimbursement checks to defendant LIPPMAN in various amounts up to \$10,655, reflecting the expenses being paid by RRA. In or about May 2006, defendant LIPPMAN's expense reimbursements were made in installments of \$15,000 to be applied for expenses.

34. It was further part of the conspiracy that, in or about the beginning of 2008, defendant LIPPMAN's expense reimbursement was changed to various amounts reflecting the submitted expenses being paid, as co-conspirators suggested to co-conspirator Rothstein that a regular check of exactly \$15,000 would look suspicious to the Internal Revenue Service.

35. It was further part of the conspiracy that, from at least in or about February 2006 through October 2009, defendant LIPPMAN filed expense reports with RRA which falsely and fraudulently reflected that numerous purchases he made were business expenditures, when, in truth and in fact, they were personal expenditures for patio furniture, home furnishings, art work, personal travel, meals and entertainment, and a country club membership, among other items.

36. It was further part of the conspiracy that, from at least in or about February 2006 through October 2009, defendant LIPPMAN filed expense reports with RRA which falsely reflected that certain credit card charges, restaurant receipts, vacation expenses, a golf membership, telephone bills and sporting event tickets were business expenses when, in truth and in fact, they were personal expenses incurred by defendant LIPPMAN and his family members.

37. It was further part of the conspiracy that, from in or about November 2005 through in or about 2006, RRA paid a construction company at least \$104,000 for renovations to defendant LIPPMAN's personal residence, which payments were not reflected on an IRS Form W-2 or on any federal employment tax forms or included on defendant LIPPMAN's joint Federal Income Tax Return for 2005 and 2006.

38. It was further part of the conspiracy that, on or about May 1, 2008, defendant LIPPMAN received a \$100,000 bonus and, on or about December 19, 2008, defendant LIPPMAN received a 2009 Maserati purchased by RRA for \$134,328, in lieu of a \$160,000 bonus, neither of which were included on an IRS Form W-2 or any federal employment tax forms or on defendant LIPPMAN's joint Federal Income Tax Return for 2008.

39. It was further part of the conspiracy that, for tax years 2005 through 2008, defendant LIPPMAN received as compensation over \$500,000 which he failed to report on his Federal Income Tax Returns, resulting in tax due and owing for those tax years totaling approximately \$179,000.

OVERT ACTS

40. In furtherance of the conspiracy and to achieve the objective thereof, at least one of the co-conspirators committed or caused to be committed, in the Southern District of Florida, and elsewhere, at least one of the following overt acts, among others:

(a) On or about May 20, 2008, defendant LIPPMAN made two contributions totaling \$75,000 to McCain Victory 2008, and caused a third contribution in the amount of \$60,000 to be made to McCain Victory 2008.

(b) On or about May 19, 2008, defendant LIPPMAN received a check from RRA in the amount of \$140,000, which constituted the funds utilized for the contributions he made and caused to be made to McCain Victory 2008.


(c) On or about March 29, 2006, defendant LIPPMAN issued a check from the LVS account at Equitable Bank to RRA in the amount of \$60,000. At the time of issuance there were insufficient funds in the account to cover the check.


(d) On or about March 29, 2006, RRA issued a check from its account at Gibraltar Bank and Trust to "Lippman Valinsky" in the amount of \$60,000.

(e) In or about April 2008, defendant LIPPMAN filed a reimbursement expense report with RRA claiming that a payment to Carl's Patio, Inc., in the amount of \$4,988.32 was a business expense, when, in truth and in fact, as defendant LIPPMAN well knew, it was for patio furniture delivered to his residence.

(f) In or about November 2005, defendant LIPPMAN caused a check in the amount of \$25,000 to be issued by RRA to a contractor who was renovating defendant LIPPMAN's personal residence.

All in violation of Title 18, United States Code, Section 371.


WIFREDO A. FERRER
UNITED STATES ATTORNEY

for 
JEFFREY N. KAPLAN
ASSISTANT UNITED STATES ATTORNEY


PAUL F. SCHWARTZ
ASSISTANT UNITED STATES ATTORNEY


LAWRENCE D. LAVECCHIO
ASSISTANT UNITED STATES ATTORNEY

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

UNITED STATES OF AMERICA

CASE NO. _____

vs.

CERTIFICATE OF TRIAL ATTORNEY*

STEVEN N. LIPPMAN,

Defendant.

_____ /

Superseding Case Information:

Court Division: (Select One)

X Miami FTL Key West WPB FTP

New Defendant(s) Yes No
Number of New Defendants
Total number of counts

I do hereby certify that:

1. I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the Indictment/Information attached hereto.

2. I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. Section 3161.

3. Interpreter: No (Yes or No) No
List language and/or dialect _____

4. This case will take 0 days for the parties to try.

5. Please check appropriate category and type of offense listed below:

(Check only one)

(Check only one)

I	0 to 5 days	<u> X </u>	Petty	<u> </u>
II	6 to 10 days	<u> </u>	Minor	<u> </u>
III	11 to 20 days	<u> </u>	Misdem.	<u> </u>
IV	21 to 60 days	<u> </u>	Felony	<u> X </u>
V	61 days and over	<u> </u>		

6. Has this case been previously filed in this District Court? (Yes or No) No

If yes: Judge: _____ Case No. _____
(Attach copy of dispositive order)

Has a complaint been filed in this matter? (Yes or No) No

If yes: Magistrate Case No. _____

Related Miscellaneous numbers: _____

Defendant(s) in federal custody as of _____

Defendant(s) in state custody as of _____

Rule 20 from the _____ District of _____

Is this a potential death penalty case? (Yes or No) No

7. Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to October 14, 2003? Yes X No

8. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to September 1, 2007? Yes X No

LAWRENCE D. LaVECCHIO
ASSISTANT UNITED STATES ATTORNEY
Florida Bar No./Court No. 0305405

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: STEVEN N. LIPPMAN

Case No: _____

Count #: 1

Conspiracy to Violate the Federal Election Campaign Act, to defraud the United States, and to defraud a financial institution

18 U.S.C. § 371

* **Max.Penalty:** Five (5) years' imprisonment

***Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms, or forfeitures that may be applicable.**

AO 455 (Rev. 01/09) Waiver of an Indictment

UNITED STATES DISTRICT COURT

for the

Southern District of Florida

United States of America

v.

STEVEN N. LIPPMAN

Defendant

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Case No.

WAIVER OF AN INDICTMENT

I understand that I have been accused of one or more offenses punishable by imprisonment for more than one year. I was advised in open court of my rights and the nature of the proposed charges against me.

After receiving this advice, I waive my right to prosecution by indictment and consent to prosecution by information.

Date: _____

Defendant's signature

Signature of defendant's attorney

Bruce A. Zimet
Printed name of defendant's attorney

Judge's signature

Judge's printed name and title