



White Collar Criminal Defense and Internal Investigations

Quinn Emanuel's White Collar Criminal Defense and Internal Investigations Practice Group represents prominent domestic and foreign corporations, special committees and boards of directors, as well as individuals, in high profile criminal investigations, administrative enforcement hearings, trials and appeals. Based in New York, Los Angeles, San Francisco and Silicon Valley, attorneys in this practice group are regularly retained to represent witnesses, subjects and targets of grand jury investigations, enforcement actions and criminal proceedings in industries ranging from securities, defense, and banking, to health care, entertainment, pharmaceuticals, and technology.

Whether negotiating with the government or litigating against it, the key to our success is our experience. Our nationally recognized group includes over a dozen former federal and state prosecutors, including alumni of the United States Attorney's Offices, as well as a former United States Attorney. We recognize that the best result for our clients is to avoid the filing of criminal charges. Our attorneys have extensive experience working with government attorneys and know how prosecutors investigate and make charging decisions. We know how to effectively engage government investigators in negotiations and have had tremendous success in convincing the government not to file criminal charges or to dismiss criminal charges and accept alternative dispositions after cases have been filed. In cases where dismissal of criminal charges is not an option, we assist clients in evaluating the risks in going to trial and when necessary have tried cases on their behalf.

We are regularly retained to conduct corporate internal investigations as well. A prominent national publication recently listed Quinn Emanuel first among the leading law firms with the highest number of stock option "backdating" matters representing corporations and board committees. In fact, we were retained in one of the most high-profile of these investigations, when at the request of former Vice President Al Gore, we conducted a Special Committee investigation into Apple Computer's historical stock option practices. Following the completion of our seven-month investigation, the SEC took the highly unusual step of praising our investigative work and specifically cited the quality of our investigation as an affirmative factor in the Commission's ultimate decision to refrain from charging Apple with securities violations.

RECENT REPRESENTATIONS

OPTIONS BACKDATING

- We represented the Special Committee and Special Litigation Committee of **Apple Computer** in connection with its investigation into allegations of stock option backdating and handling of all derivative and class action litigation related to such allegations.

- We represented **Barnes & Noble** in a special committee investigation in connection with SEC and USAO investigations into alleged stock options backdating and parallel shareholder derivative actions.
- We represented the former executives of **Computer Sciences Corporation** in connection with parallel SEC and USAO investigations into alleged stock options backdating.
- We represented the executives of **Marvell Corporation** in connection with SEC investigation into alleged stock options backdating and parallel shareholder derivative and class actions.
- We represented **JB Oxford/National Clearing Corp.** in the first mutual fund late trading/market timing SEC enforcement case.

SECURITIES, ACCOUNTING AND FINANCIAL FRAUD

- We represented the Management Committee of a **major national class action law firm** in connection with a high-profile criminal mail fraud and obstruction of justice prosecution of the firm and several of its controlling partners.
- We served as counsel to the Chairman and CEO of **Intermix**, the parent company of **MySpace.com**, in a five-month audit committee investigation, and in subsequent SEC and shareholder litigation. The SEC matter was resolved with recommendation of no enforcement action from SEC Staff.
- We represented **eUniverse** in a multi-year SEC investigation, and secured "no action" letter from the SEC Enforcement staff in revenue recognition and accounting restatement case.
- We represented several former managers of a **major auto-parts manufacturer** in a joint securities fraud investigation by the SEC and DOJ.
- We represented a former executive of a **medical device company** in connection with allegations of securities fraud, as well as mail and wire fraud, in complaint filed by SEC and indictment brought by USAO.
- Counsel to the Special Committee of the Board of Directors of a major Fortune 10 international conglomerate regarding its investigation into alleged fraudulent billing and conflict of interest by one of its primary outside law firms.
- Counsel to the Special Committee of the Board of Directors of **Idealab** to investigate claims by venture capital investors alleging various improper stock transactions and self-dealing on the part of the Company's management. The action settled after the firm delivered the report.

- Counsel to **AOL Time Warner** in the **Homestore.com** investigation of "roundtrip" and barter accounting practices and securities litigation.
- Counsel to **Tier Technologies** in a six-month Audit Committee investigation following an accounting restatement, and in related shareholder and SEC proceedings.
- Counsel to **Terayon Communications Systems** in a year-long Audit Committee investigation arising out of an accounting restatement and in related SEC and shareholder actions. The investigation involved operations in Canada, Israel and Brazil. The SEC matter was resolved with recommendation of no enforcement action from SEC Staff.
- Counsel to the Chairman of **Ariba Software**, in an internal investigation of accounting practices, and subsequent SEC and shareholder litigations.
- Counsel to the General Counsel of **L90/Max Worldwide** in SEC and DOJ investigations of accounting practices in the Internet advertising industry.
- Counsel to the former CFO of **Brocade** in Special Committee investigation, and SEC and shareholder litigations.
- Counsel to the Special Committee of independent Directors of a major industrial conglomerate in response to a shareholder demand concerning losses recognized following the acquisition of a defense contracting subsidiary.

FALSE CLAIMS ACT / QUI TAM LITIGATION

- We represented **Northrop Grumman** against multiple employment and qui tam suits brought by former employee in an ex rel matter alleging flaws in circuitry for guidance system for MX missile. The representation included a jury trial and appellate proceedings in the Ninth Circuit and the Supreme Court. All qui tam claims were dismissed and plaintiff received no monetary recovery after payment of sanctions award and attorneys' fees.
- We represented **Hughes Aircraft** in obtaining a dismissal against both the United States government and the relator in qui tam False Claims Act case alleging mischarging under government contracts.
- We represented **CNA Financial Corp.** in obtaining dismissal of an action asserting qui tam claims under the Medicare Secondary Payer Act.
- We defended **an international engineering firm** against allegations that it violated the False Claims Act and overbilled the federal government by allegedly engaging in improper intercompany cost transfers. On the eve of trial, the case was settled for little more than nuisance value.

- We represented **an international engineering firm** and its joint venture partners against allegations of accounting fraud and overbilling by the government in connection with a long-term infrastructure construction project. We obtained dismissal of the fraud claim and are awaiting the result of a six-month bench trial.
- We represented **an international engineering firm** in a dispute with the federal government over the manner in which environmental clean-up services were accounted for and charged. The engineering firm was accused of overbilling millions of dollars. The government agreed to settle the dispute without the engineering firm having to pay any allegedly overbilled amount to the government.
- We obtained a partial summary judgment and settled the rest for \$0 for **Lockheed Martin** in a qui tam case alleging mischarging for security costs relating to a facility that provided support and maintenance for the F-117A stealth fighter and the U-2 reconnaissance plane.
- We represented **an international construction and engineering firm** against federal qui tam action brought by former employee alleging various overbilling and improper billing on government projects. We won on a motion to dismiss.
- We represented **Litton Systems** in a qui tam case, joined by the government, alleging misallocation of overhead costs for data processing services. Obtained a favorable settlement.
- We represented **Fluor Daniel Corp.** in a qui tam claim by a former employee overseeing cleanup of former Department of Energy nuclear fuel processing facility north of Cincinnati challenging cost and schedule estimates for project. Obtained a favorable settlement.
- We represented **Jacobs Engineering Group** in a qui tam action, joined by the government, alleging improper charging of rental costs after sale and leaseback of headquarters building. The case resulted in a favorable settlement.
- We represented **Shell Oil Company** in state and federal actions alleging underpayment of royalties on government oil leases; the matters ultimately settled.
- One of our partners represented **Lockheed Martin** in a grand jury investigation relating to sales of C-130 and F-16 to Korea (our prior case).
- One of our partners represented **Lockheed Martin** in a grand jury investigation of radar sales to Taiwan.
- One of our partners represented **a premier laboratory** with a NASA contract in a lengthy LA DOJ civil division FCA investigation of accounting issues relating to various government space exploration programs.

- One of our partners represented **a major scientific university** in a LA DOJ civil division FCA investigation into funding of government contracts for DNA sequencer and other research programs.
- One of our partners represented **CIGNA Healthcare** in a False Claims Act action and settlement relating to claims and billing for one of its hospitals.
- One of our partners represented **Orange County Health Care Agency** in a False Claims Act action and settlement relating to claims and billing issues.
- One of our partners represented **a major pharmaceutical company** in a LA civil division investigation into potential FCA issues.

HEALTH CARE

- We represented **Kaiser Permanente** in connection with civil and criminal actions brought by the Los Angeles City Attorney alleging the improper discharge of patients.
- We represent a former employee of a **major pharmaceutical company** and **local hospitals** in connection with a USAO investigation into possible violations of the Federal Medicare and Medicaid Anti-Kickback Statute, the privacy provisions of the Health Insurance Privacy and Portability Act ("HIPAA"), and other federal statutes.

FOREIGN CORRUPT PRACTICES ACT/INTERNATIONAL INVESTIGATIONS

- Counsel to the Special Committee the Board of Directors of one of Europe's largest engineering and construction firms concerning violations of the Foreign Corrupt Practices Act relating to government procurement contracts in Africa and elsewhere.
- Counsel to the **Board of Supreme Audit in Iraq** in investigating fraud in the Oil for Food program.
- Counsel to **Coca-Cola's** bottler in Turkey in Coke's internal investigation of the bottler arising out of alleged violations of the Tort Claims Act and Torture Victim Protection Act. We went on to defend both the bottler and Coke in a civil lawsuit arising out of the same allegations and obtained a dismissal on *forum non conveniens* grounds.
- Counsel to the Special Committee of independent Directors of a major clothing manufacturer in response to allegations of customs violations, kickbacks and commercial bribery in its Hong Kong and Singapore operations.

PHARMACEUTICAL

- Counsel to the Special Committee of independent Directors of a NYSE biotech company into allegations that company's senior management had misrepresented the status and progress of the company's clinical development program.
- Counsel to a pharmaceutical company into losses of upwards of \$2 million in Schedule II controlled substances (narcotics) from the company's distribution center.

MONEY LAUNDERING AND FORFEITURE

- We have represented individuals charged with structuring and other money laundering offenses and have successfully recovered assets seized in civil, criminal, and administrative forfeiture actions.

WORKPLACE SAFETY

- We represent major corporations in criminal investigations and administrative proceedings resulting from workplace injuries.

We have also been retained for investigations of antitrust, environmental, employment, and other regulated industry practices for clients that include **The Scotts Companies, Waste Management, Kaiser Permanente, Toyota, IBM, and Shell**, among others.