

Weston Hurd Client Advisory - February 2013

How Employee Misconduct Can Lead to the Demise of a Business


Prepared by
Samuel J. Lauricia, III and Walter A. "Scott" Lucas

During the recent difficult economic downturn, an increasing trend has emerged where employees may engage in illegal or fraudulent conduct solely to further advance their personal well-being, all to the detriment of the business that employs them. Attached is an article titled "Insider Fraud: What to Monitor," that describes the end result of two high-profile, complex, and substantial financial crimes involving employees engaging in fraud. One of the financial crimes highlighted in the article led to the ultimate collapse and eventual liquidation of the former Ohio-based St. Paul Croatian Federal Credit Union by the National Credit Union Administration Board (the "NCUA"), an independent agency of the Executive Branch of the United States Government that charters, insures and regulates Federal credit unions. The article illustrates how St. Paul's demise involved both an employee betrayal acting in conspiracy with members of the former credit union.

Since 2010 when St. Paul was placed into involuntary liquidation, the NCUA has worked with a team of attorneys from Weston Hurd, led by partners Samuel J. Lauricia and Walter A. "Scott" Lucas, to uncover the complex and vast financial crimes that were part of the St. Paul scheme. Working in conjunction with its legal counsel at Weston Hurd, the NCUA has been able to recover substantial assets from what is considered among the United States' largest credit union failures through extensive and complex investigation, strategic planning, and litigation.

Combining their knowledge and expertise in the areas of tax, business, white collar crime, real estate and litigation, the Weston Hurd attorneys have been uniquely qualified to provide cost-effective, comprehensive and value-added services throughout their engagement on behalf of the NCUA.

If you have questions about any legal issues that may involve safeguarding your business against financial crimes, please feel free to contact Sam Lauricia or Scott Lucas of Weston Hurd's White Collar Litigation, Enforcement and Compliance Practice Group.

ARTICLE: [Insider Fraud: What to Monitor](#) 

WESTON HURD'S WHITE COLLAR LITIGATION, ENFORCEMENT AND COMPLIANCE TEAM



Samuel J. Lauricia, III is a Partner with Weston Hurd LLP. He focuses his practice on white collar criminal matters, tax litigation and planning, and general corporate transactions, contracts, mergers and acquisitions. He can be reached at 216.687.3361 or slauricia@westonhurd.com.



Walter A. "Scott" Lucas is a Partner with Weston Hurd LLP. He focuses his practice on white collar criminal matters and other complex civil and criminal litigation in state and Federal courts both nationally and throughout the state of Ohio. He can be reached at 216.687.3244 or slucas@westonhurd.com.



Robert E. Goff, Jr.
216.687.3251
rgoff@westonhurd.com



Randy L. Taylor
216.687.3242
rtaylor@westonhurd.com



Matthew C. Miller
216.687.3236
mmiller@westonhurd.com



Julius E. Trombetta
216.687.3261
jtrombetta@westonhurd.com



Paul M. Shipp
216.687.3298
pshipp@westonhurd.com

About Weston Hurd LLP

With offices in Cleveland, Columbus and Beachwood, Weston Hurd LLP provides comprehensive legal counsel to Fortune 500 companies, insurance carriers, financial institutions, healthcare providers, small- and medium-sized businesses, the real estate industry, governmental agencies, non-profit enterprises and individuals.

Additional information regarding Weston Hurd's White Collar Litigation, Enforcement and Compliance Practice Group can be found on the [Practice Areas](#) page of www.westonhurd.com.

As a reminder, this material is being provided to draw your attention to the issues discussed. Although prepared by professionals, it should not be utilized as a substitute for legal advice and representation in specific situations.



Copyright 2013

www.westonhurd.com