

White Collar Group Of The Year: Ropes & Gray

By Jody Godoy

Law360 (February 5, 2020, 1:24 PM EST) -- Last year saw Ropes & Gray defend parents including former Willkie Farr co-chair Gordon Caplan in the headline-grabbing "Varsity Blues" case and publish a groundbreaking report on Larry Nassar's sexual abuse, putting the firm among Law360's 2019 White Collar Groups of the Year.

The Boston U.S. attorney's office captured a news cycle in March when prosecutors charged dozens of people, including Caplan and other wealthy parents, for participating in a scheme to get their children into universities by faking test scores and athletic achievements.

Less than a month later, Caplan was the second parent to announce he would plead guilty, apologizing in a public statement to his family, friends, colleagues and "students everywhere who have been accepted to college through their own hard work."



Ropes' government enforcement co-chair Michael McGovern was part of the team representing Caplan and said the BigLaw chairman's decision to come clean so early and thoroughly was "critically important" later on when Caplan was ultimately sentenced to a month in prison. The sentence was on the shorter end of the range handed down so far, where one parent was ordered to serve six months.

"It was to Gordon's credit that he was willing to accept responsibility and to step up, and not attempt to minimize his role and make clear that others were not responsible," McGovern said.

In addition to Caplan, the firm represented two other parents charged in the Varsity Blues case: former Pimco CEO Douglas Hodge and Silicon Valley mom Elizabeth Henriquez. Both parents pled guilty and await sentencing.

One of the highest-profile matters the firm handled recently was its investigation into former USA Gymnastics doctor Larry Nassar and the systemic failings and coverups that allowed him to sexually abuse athletes for decades.

Partners Joan McPhee and James Dowden led a team of around a dozen lawyers, including associates Helen Gugel and Ezra Geggel. While the Olympic Committee commissioned the investigation, the work was independent. It was also unlike any matter McPhee had handled in her long career in white collar.

“This was a very unique matter, and it absolutely required me individually and us as a team to navigate terrain that was new and critical to our ability to successfully complete our work,” McPhee said.

Basic fact-finding was the first order of business. But the firm had no power to subpoena anyone or compel them to agree to interviews, as is usually the case in investigations for U.S. companies, which often require employees to participate in internal probes or face discipline.

In addition, McPhee said the firm steered away from contacting survivors of Nassar’s abuse directly so as not to re-traumatize them. Instead, the team built trust with advocacy groups and attorneys representing some of the women and took out a newspaper ad inviting survivors to talk with them. All in all, the team was able to interview more than 100 people, and reviewed more than a million documents over the course of the 10-month investigation.

The investigators also started out by undergoing training from the Rape, Abuse & Incest National Network on how to interact with survivors.

“We spent a lot of time early on helping various constituencies understand the specific terms of our engagement, and the level of independence we had, which was total,” McPhee said.

The two partners briefed Congress along the way, and the Ropes & Gray report was cited in a Senate report on Nassar in 2019.

The firm was also retained by a board subcommittee at New York University to investigate any interactions that donor Michael Steinhardt may have had with staff or students after the New York Times reported Steinhardt had sexually harassed women in other contexts. According to the school’s student newspaper, the probe found that Steinhardt had made inappropriate remarks.

While many of Ropes & Gray’s white collar matters last year grabbed domestic headlines, the firm is equally equipped to handle international work. The firm’s 300 white collar attorneys practice in 11 offices around the world.

International experience was a big selling point when Ropes partner Alexandre H. Rene was selected to lead the monitorship of Brazilian aircraft manufacturer Embraer, which is ongoing.

Rene, who co-leads the firm’s global litigation and enforcement practice, said that having represented clients in Brazil-related matters for more than 10 years helped prepare him to take on the job after the company settled with U.S. and Brazilian authorities in 2016.

But the biggest qualification for the job is having the credibility and judgment it takes to “call balls and strikes” when it comes to the company’s conduct during the monitorship, he said. Being a monitor means being completely independent from the company in order to help the company improve.

“It really should be a forward-looking approach. It should be attempting to find ways to help the company without being an advocate for the company,” Rene said.

In another cross-border matter, McGovern and Ropes represented former Credit Suisse banker Detelina Subeva, an early cooperator in the securities fraud case against Lebanese shipping company executive Jean Boustani.

Subeva waived her right to contest extradition, pled guilty and cooperated with prosecutors ahead of the trial where Boustani was acquitted last year. Prosecutors are likely to ask for leniency at her sentencing.

While the firm works to secure good outcomes for cooperators, it helps other clients fight their cases in court.

In May, McGovern and a team from Ropes will defend former Deutsche Bank trader Cedric Chanu on charges of spoofing the securities markets. The trial of Chanu and another defendant will be the second to deal with claims against manual traders, rather than those who use algorithmic software to trade.

--Editing by Philip Shea.