

[Rothstein Conspirator Pleads Guilty To Election Fraud](#)

May 11, 2012



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Summary

A former partner at the law firm of convicted Ponzi schemer Scott Rothstein pled guilty Friday to his role in the firm's plot to illegally funnel campaign money to the 2008 presidential election campaign of Republican John McCain.

Body

A former partner at the law firm of convicted Ponzi schemer Scott Rothstein pled guilty Friday to his role in the firm's plot to illegally funnel campaign money to the 2008 presidential election campaign of Republican John McCain.

Steven N. Lippman, a former partner at defunct law firm Rothstein Rosenfeldt Adler PA, admitted in Florida federal court to a charge of conspiracy to violate the Federal Election Campaign Act and defraud the Federal Election Commission and the Internal Revenue Service.

Lippman, who is set to be sentenced Sept. 14 by U.S. District Judge James I. Cohn, faces up to five years in prison. His defense counsel, Bruce Zimet, said that Lippman's cooperation with federal authorities is a condition of his plea agreement and that Lippman could potentially serve as a witness in future Rothstein trials.

The charges do not implicate Lippman in Rothstein's \$1.2 billion Ponzi scheme, for which Rothstein is serving a 50-year prison sentence on five criminal charges, including racketeering and fraud. Zimet said Lippman had no knowledge of the scheme and was told only that Rothstein was involved with a hedge fund.

For his part, Lippman's violations of the FECA stemmed from a 2008 reimbursement scheme in which the lawyer would cut checks to McCain's presidential campaign and later be reimbursed with RRA funds, according to an informational document released by prosecutors.

The reimbursements Lippman received for his contributions were falsely characterized by the firm as "bonuses" rather than nondeductible political contributions, and Lippman's charge of conspiracy to defraud the IRS relates in part to a \$45,000 payment he received in May 2009 to compensate him for federal income taxes due on these so-called bonuses.

According to prosecutors, Rothstein and other unnamed co-conspirators sought to leverage these political contributions to gain increased influence over political officials, obtain political appointments for Rothstein and others, and secure government contracts for RRA and its clients.

The various "bundled" contributions of Lippman, Rothstein and others placed RRA as the nation's top contributor to the political action committee McCain Victory 2008, prosecutors said. As a result, Rothstein was selected to serve as a delegate at the 2008 Republican National Convention and was later appointed to the Fourth District Judicial Nominating Committee, which is tasked with advising the Florida governor on state appellate judge appointments.

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Lippman is also charged with a check-kiting scheme that grew out of a period of financial difficulty RRA underwent in 2006. At Rothstein's request, Lippman utilized a bank account linked to his previous law firm to issue checks to RRA in excess of the money in the account. Over a two-year period starting in February 2006, Lippman and RRA swapped checks - the total value of which allegedly exceeded \$10 million - and in doing so artificially inflated RRA's balance sheet.

"Lippman and other co-conspirators engaged in this fraudulent conduct to create the appearance that RRA was an affluent and successful law firm and to gain additional time to meet the financial obligations of RRA," prosecutors said.

A number of Rothstein associates have pled guilty to their roles in the campaign finance scheme including, most recently, Marybeth Feiss, who on May 4 was sentenced to six months in prison. Feiss also faced a maximum of five years in prison, but received a reduced sentence as part of her plea agreement.

Lippman is represented by Bruce A. Zimet PA.

The case is USA v. Lippman, case number 12-cr-60078, in the U.S. District Court for the Southern District of Florida.

--Additional reporting by Sindhu Sundar. Editing by Lindsay Naylor.