This course is intended to introduce law students to the real world issues of major civil and criminal corporate fraud. The idea for the course arose out of my work from April 2002-2009 as independent counsel for the Regents of the University of California, lead plaintiff or institutional plaintiff in the *Enron, WorldCom, AOL Time Warner, Dynegy* federal securities cases, and my work as defense counsel for top executives of IndyMac Bank, Homestore.com, New Century Financial, PFF Bank, Tenet Healthcare, and La Jolla Bank.

The seminar focuses on eight major corporate fraud case studies: (1) Enron/Arthur Andersen criminal trials; (2) IndyMac civil trial (largest jury verdict $168 million of the financial crisis era); (3) Homestore.com (a major internet company) civil and criminal trials; (4) Broadcom backdating trial (and issues of prosecutorial misconduct); (5) Insider trading investigations and trials (KPMG, SAC Capital Hedge Fund, Galleon); (6) BP civil and criminal litigation re massive oil spill; (7) the Madoff ponzi scheme (civil litigation and criminal investigations); (8) Dole and Chevron plaintiffs’ fraud trials; and (9) select case studies from the financial crisis of 2007-2012. We will, of course, also compare and contrast these cases with other major corporate fraud cases, such as JP Morgan/Washington Mutual, Goldman Sachs, Bank of America/Countrywide, Barclays, Deutsche Bank, MF Global, New Century, Lehman, Bear Sterns, AIG, and WorldCom.

The class will also analyze current corporate fraud topics, such as trial tactics in major criminal trials (Enron, Homestore, Broadcom, Arthur Andersen, BP) and civil trials (IndyMac, Tourre, BP, Dole, Chevron); the difficulty of bringing government criminal prosecutions in recent investment bank investigations; the difficulty for class action plaintiffs in pursuing securities fraud cases as a result of recent U.S. Supreme Court decisions; Foreign Corrupt Practices Act international bribery investigations; recent criminal and civil insider trading investigations; the defense of parallel criminal and civil cases; government investigations and the waiver of the attorney-client privilege; the use of wire-taps and undercover stings in white collar government investigations; director and officer insurance coverage; the role of the regulators and rating agencies in the 2007-2008 financial collapse; issues in corporate internal investigations; and the impact of the Sentencing Guidelines on white collar prison terms.

The goal of this course is to focus on the “lessons learned” from corporate frauds of the “Enron Era” (2001-2006) and the “Financial Crisis Era” (2007-Present) from many of the top practitioners in the field. Guest lecturers will include (schedules permitting) the following top practitioners: current US Attorney for the Northern District of California (Melinda Haag), former US Attorney for the Central District of California (André Birotte), former and current federal judges (Judges Lawrence Irving, André Birotte, and Mike Wilner), former prosecutors (John Hueston, Brad D. Brian, Doug Fuchs, Terry Bird, Richard Marmaro, Mike Wilner, Nathan Hochman, Luis Li), former public defenders (André Birotte, Bob Corbin), former SEC counsel (Jessica Puathasnanon, Hon. Mike Wilner), criminal and civil defense counsel (Terry Bird, Marshall Grossman, Richard Marmaro, Bob Corbin, Doug Fuchs, Nathan Hochman, Brad D. Brian, Scott Edelman, Luí Li, Mike Doyen), plaintiff’s counsel (Tom Long, David Graeler, Patrick Richard), former plaintiffs class action lawyer (Bill Lerach), accountant (Rich Corgel), a former CFO (Joe Shew), and USC Marshall School of Business professor (Cecil Jackson). This impressive speaker list includes outstanding trial lawyers or accountants from the following firms: Gibson Dunn & Crutcher (Fuchs, Edelman), Skadden Arps (Marmaro), Hueston Hennigan (Hueston), Munger Tolles & Olson (Brian, Li, Doyen), Orrick (Grossman), Morgan,
Lewis & Bockius (Hochman), Bird Marella (Bird), Kendall Brill & Klieger (Corbin), Nossaman (Long, Graeler, Richard), and Ernst & Young (Corgel).

The ultimate, and most exciting, part of the seminar is the class project. Students will divide up into teams of four and do a team presentation to a hypothetical Board of Directors on the results of their independent investigation of a major corporate fraud (e.g. Insider Trading Cases (SAC Capital and Galleon), JP Morgan/Washington Mutual, BofA/Countrywide, Goldman Sachs, Madoff, Barclays, MF Global, New Century, Lehman, AIG, WorldCom, Lincoln Savings & Loan, HealthSouth, or other recent 2007-2013 financial fraud cases). Each student will write a research paper on that investigation.

I have taught this course on corporate fraud at USC since 2004 and taught a similar joint seminar at Stanford Law and Business Schools in 2007.

For more information and articles about this class see:

- USC Gould School of Law Corporate Fraud and Government Investigations Forum (the website I created for this class): [http://corporatefraud.usc.edu/](http://corporatefraud.usc.edu/)
- [http://www.usc.edu/dept/pubrel/trojan_family/summer07/enron.html](http://www.usc.edu/dept/pubrel/trojan_family/summer07/enron.html)
- [http://lawweb.usc.edu/news/assets/docs/FallWinter2006Magazine.pdf](http://lawweb.usc.edu/news/assets/docs/FallWinter2006Magazine.pdf) (pp. 14-17)

1. How many units will this course be offered for? **3**
2. Is the course available for CR/D/F grading? **Yes**
3. Is class participation graded and/or required? **Yes, and class attendance is mandatory (without excused absences)**
4. Will there be a final exam? If so will it be an in-class exam or a take-home exam? **No midterm or final exam**
5. Will there be a term paper and/or in-class presentation? **Yes- individual research paper and group presentation**
6. If there will be a term paper how many pages are required? **No minimum or maximum page limit is required, but typical research papers in past classes range from 20-35 pages (see item 7 below).**
   Will students be required to submit early drafts of the paper to you for your comments and suggestions? **No**
7. Will students in this course engage in actual or simulated trial, pretrial or appellate advocacy, negotiations, legal document drafting, client interviewing or counseling, investigation or the management of legal work? **Yes- The students, in groups of 4, will simulate an independent investigation of a major corporate fraud and make a group presentation on that investigation (see above). Each student will also write an investigation report of approximately 20-35 pages on the corporate fraud investigation.**
8. Will you permit students to take the final exam on laptop computers with SofTest? **N/A (no final exam)**
9. Is enrollment limited to a particular number of students or to a particular group of students? **30 law students (I will consider up to 35 students, if there is a waiting list).**