

**From:** "Scott Kornspan" <[REDACTED]>  
**To:** "Howard SREBNICK" <[REDACTED]>, "Roy BLACK"  
<[REDACTED]>, <[REDACTED]>  
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## Four of Scott Rothstein's colleagues charged with fraud

**BY JAY WEAVER**

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A former attorney in convicted con man Scott Rothstein's Fort Lauderdale law firm -- along with two other ex-employees and a one-time night club owner -- were charged Friday with conspiracy offenses related to Rothstein's \$1.2 billion Ponzi scheme.

All four Broward County men face one count of conspiring to commit wire fraud linked to Rothstein's racket, which carries a potential maximum penalty of five years in prison. The latest defendants in South Florida's largest financial fraud are:

Attorney Howard Kusnick, 58, of Tamarac, accused of writing a letter for Rothstein that the ringleader used as part of his investment scam selling fabricated legal settlements.

- Former information technology employees William Corte, of Plantation, and Curtis Renie, of Fort Lauderdale, both 38, charged with forging a bank's web site purporting to show hundreds of millions of dollars in the Rothstein law firm's trust accounts so as to induce wealthy investors into buying bogus legal settlements. At Rothstein's direction, the pair allegedly falsified balances in some accounts of the web site, which was a fictitious copy of the firm's statements with TD Bank in Fort Lauderdale.
- Stephen Caputi, 53, of Lauderhill, former owner of Cafe Iguana in Pembroke Pines, accused of posing as a banker and plaintiff during some of Rothstein's sales pitches to potential investors.

Caputi and Corte are set to make their first appearances before a magistrate judge Friday morning. Kusnick and Renie are expected to surrender next week.

All the defendants are being charged by information, not by indictment. That means they are cooperating with the U.S. attorney's office and eventually are expected to plead guilty to the single conspiracy count.

Rothstein was arrested in 2009, charged with racketeering, money laundering and fraud stemming from his sale of phony legal settlements involving purported sexual harassment, discrimination and whistle-blow lawsuits over the previous four years. He pleaded guilty in January 2010, in a case brought by veteran prosecutors Lawrence LaVecchio, Jeff Kaplan and Paul Schwartz.

Last June, the disbarred lawyer was sentenced to 50 years in prison and ordered to repay \$363 million to about 320 victims from South Florida, the Northeast and elsewhere. But authorities have recovered only a fraction of those losses.

So far, the only person other than Rothstein and the four new defendants charged in the FBI investigation is his law firm's one-time chief operating officer, Debra Villegas, 43, who also has been cooperating with the U.S. attorney's office. She pleaded guilty to a money-laundering conspiracy and was sentenced to 10 years in prison.

For months, federal prosecutors and agents have been questioning potential co-conspirators and other witnesses in the investment fraud case, including former lawyers in Rothstein's firm. They're also poring over emails, financial statements, legal documents and other records generated by Rothstein, his former colleagues and others.

Other former employees of the bankrupt 70-attorney Rothstein Rosenfeldt Adler law firm are also under criminal scrutiny, federal sources said.

Among them: name partners Stuart Rosenfeldt and Russell Adler; another senior partner, Steven Lippman; chief financial officer Irene Stay; and general counsel David Boden. Attorneys for those ex-RRA employees have denied that their clients did anything wrong.

Rothstein, 48, ultimately may receive a sentence reduction for his cooperation in a related FBI sting operation against a reputed Italian Mafia figure, Roberto Settineri, 42, of Miami. Settineri received a four-year prison sentence.

Prosecutors also credited Rothstein with unraveling his complex investment scheme before pleading guilty to a racketeering conspiracy charge and four other counts that carried up to 100 years in prison.

He has been in federal custody since his arrest in December 2009, and will serve his prison time in the witness protection program.

In a press release, authorities Friday issued stinging statements.

"The house of cards supporting Scott Rothstein's elaborate Ponzi scheme continues to crumble," said U.S. Attorney Wifredo Ferrer. "As today's charges confirm, we will follow all leads and continue to bring to justice those who helped Rothstein execute this billion dollar fraud and any other crimes that may have been committed through RAA. The investigation continues."

"The FBI will continue to unravel the remaining web of fraudulent schemes created by Scott Rothstein. One thing is clear, Rothstein was able to deceive investors because of the participation by others," said John V. Gillies, Special Agent in Charge for FBI's Miami Office. "We will shine a light on every aspect of this fraud. Like Rothstein, those who chose greed over integrity will also have a price to pay."

IRS Acting Special Agent in Charge Rhonda A. Diffenbach stated: "Those who assist others in perpetrating a crime will be investigated vigorously. IRS-CI will continue to work diligently with our law enforcement partners to protect the public from these crimes."

Read more: <http://www.miamiherald.com/2011/05/27/v-fullstory/2238217/four-of-scott-rothsteins-colleagues.html#ixzz1NZ6HIOJB>