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## Lawyer Pleads Not Guilty in Vast Ponzi Scheme Case

By CARMEN GENTILE

FORT LAUDERDALE, Fla. — A South Florida lawyer accused of running a \$1 billion Ponzi scheme pleaded not guilty to federal racketeering charges on Tuesday.

The lawyer, Scott Rothstein, 47, is charged with several counts of fraud and conspiracy to commit money laundering in a scheme that involved selling legal settlements. He faces up to 100 years in prison if convicted on all counts.

Mr. Rothstein, who was known for his extravagant lifestyle and his philanthropy, sat quietly and appeared calm while the charges against him were read in the federal courtroom of Magistrate Judge Robin Rosenbaum.

Judge Rosenbaum granted the prosecution's request for pretrial detention of Mr. Rothstein, based on its assertion that he was a flight risk. He had set up bank accounts in Morocco totaling an estimated \$15 million.

Mr. Rothstein, who was taken into custody shortly before 8 a.m. Tuesday, went to Morocco in late October as his business began to unravel, though he returned to South Florida last month.

Witnesses said that while Mr. Rothstein awaited his hearing Tuesday morning, he was overheard providing legal advice to others in his holding cell.

Prosecutors are charging Mr. Rothstein under the Racketeer Influenced and Corrupt Organizations Act, also known as RICO.

Last month, federal authorities filed court documents seeking to seize Mr. Rothstein's 87-foot yacht, more than a dozen properties and 20 luxury cars, including a 2009 Bugatti Veyron that sells for \$1.5 million.

Mr. Rothstein's lawyer, Marc Nurik, said his client did not provide any information to federal prosecutors about the case, despite previous reports that Mr. Rothstein was cooperating with the authorities and prosecutors by providing details of his investment business.

In the meantime, Mr. Nurik said he would provide "limited information to the government."

**Latour Lafferty**, a criminal defense lawyer and a former federal prosecutor, said federal authorities were likely to try to make a deal with Mr. Rothstein for a reduced sentence if he would identify co-conspirators in the case.

“If he is cooperating with the feds, they are going to ask who helped him with the money-laundering transaction,” Mr. Lafferty said. “The billion-dollar question, if you will, is who are the co-conspirators?”

So far, no one else has been charged in connection with the case.

Mr. Nurik said Mr. Rothstein was prepared to make full restitution to all of his “legitimate investors.”

“We made it clear from the very get-go that the legitimate investors would be paid back,” Mr. Nurik told reporters outside the federal courthouse here.

Mr. Nurik declined to elaborate on what he considered a legitimate investor. However, he said that “at this point, he plans on doing the right thing” by paying back money to investors he is accused of defrauding.

He also said that the “actual losses to investors, we suspect, will be less than \$500 million.”

Mr. Rothstein was a major donor to local charities and to both political parties in the state. Politicians have begun returning his contributions.

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