

# GALLAGHER

## GALLAGHER EVELIUS & JONES

ATTORNEYS AT LAW

## Investigations

### Why choose Gallagher?

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Gallagher's team of experienced litigators has conducted a broad range of highly sensitive public and private internal investigations. The team has navigated complex matters and is well-versed in protecting confidentiality, synthesizing different points of view, interviewing witnesses on difficult issues, and composing comprehensive investigative reports. Our lawyers have been engaged to conduct both public and confidential internal investigations by federal and state government agencies, the United States House of Representatives, the Maryland General Assembly, and prominent for-profit and not-for-profit institutions. Gallagher lawyers also are regularly appointed by federal and state courts as receivers and monitors of companies under court oversight.

### Confidential internal investigations

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Our lawyers' investigations experience for for-profit entities includes engagements on behalf of a wide range of publicly traded and privately held organizations, including international investment banks, broker-dealers, utilities, and international broadcasting entities. Gallagher also has conducted confidential internal investigations for myriad not-for-profit organizations including universities, hospitals, hospital systems, cultural institutions, international aid organizations, and religious orders. These engagements include the investigation of allegations of misconduct by company executives, not-for-profit directors, hospital employees, and university faculty members. Gallagher's lawyers have investigated alleged misconduct including, but not limited to:

- Fraud;
- Theft;

- Financial malfeasance;
- Harassment;
- Discrimination;
- False Claims Act violations;
- Failure to comply with industry standards; and
- Failure to comply with internal policies and procedures.

### **Public/Government investigations**

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Our lawyers have undertaken numerous public investigations on behalf of state and federal government bodies, ranging from the United States Department of Justice and House of Representatives, to the Maryland General Assembly and the Office of the Attorney General of Maryland. Gallagher lawyers' appointments have included impeachment proceedings, as well as investigations of financial misconduct, ethical misconduct, and alleged violations of state and federal law. On behalf of governmental entities, Gallagher lawyers have investigated organizations and individuals as diverse as national for-profit corporations, multi-state securities Ponzi and pyramid schemes, federal and state judges accused of ethics violations, political appointees, and the Baltimore Police Department. The firm's work has touched on matters of substantial public concern, from violations of the public trust by appointed officials, to a scheme the Chief Judge of the United States District Court for the District of Maryland referred to as "the largest fraud ever brought before the Court."

### **Responding to government investigations**

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Gallagher lawyers have previously served in positions of trust in state and federal government and are sought after by clients who are responding to subpoenas or investigations from the U.S. Department of Justice, the Maryland Attorney General, and other state and federal law enforcement and regulatory agencies. Gallagher has represented clients in pre-litigation investigations brought under state and federal laws pertaining to false claims, consumer protection, and antitrust, among others.

## Healthcare investigations/compliance

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Gallagher has an experienced team of healthcare lawyers who regularly represent providers in responding to investigations by government regulators. Please click [here](#) for more information about Gallagher's health law practice.

## Our Team

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**James Buck**

**Meghan Casey**

**Mark Saudek**

**Anatoly Smolkin**

**Brian Tucker**

**Ward Coe**

**Peter Keith**

**Sydney Fortmann**

**Alison Best Lutich**

**Brandon Wharton**

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## Representative Matters – Public Investigations

**Counsel to Receiver for RagingBull.com, LLC**

*Federal Trade Commission vs. RagingBull.com, et al.*

**Case No. GLR 20-CV-3538, United States District Court for the**

## **District of Maryland**

**Mark Saudek** and **Meghan Casey** were approved by the U.S. District Court for the District of Maryland, to serve as counsel to the Temporary Receiver for RagingBull.com, LLC, an entity that provided subscription services, education, and chat rooms associated with short-term stock and technical stock options and futures trading. The company and its owners were accused by the Federal Trade Commission of deceptive sales practices, in violation of federal law. At the time the temporary receivership commenced, the company employed 167 people, had 84,000 active customers/subscribers, and reported annual revenue of \$75 million. Gallagher's role included assuming direct control over the receivership entities and physical locations in multiple states; reaching an agreement with the company to cease sales, services, and marketing, and to furlough nearly all employees, pending the Court's ruling on a motion for preliminary injunction; taking possession of assets totaling \$7.5 million; investigating the company's business and marketing activities, including by conducting witness interviews of the RagingBull.com, LLC owners and senior executive leadership; negotiating with creditors of the receivership entities and recovering assets of RagingBull.com, LLC; negotiating and interacting with the Federal Trade Commission and national counsel for the receivership entities on all matters relating to the receivership; and reporting to the Court concerning the company's operation and whether the company could be operated lawfully and profitably going forward.

## **Midway Industries Receivership**

*Federal Trade Commission vs. Midway Industries, et al.*

**Case No. JKB 14-CV-2312, United States District Court for the  
District of Maryland**

The United States District Court for the District of Maryland approved **Mark Saudek** as counsel to Receiver **Peter Keith** for nineteen entities accused by the Federal Trade Commission of violating federal law. The Gallagher team secured assets in excess of \$16 million and provided more than \$11 million for restitution of defrauded consumers and other first priority creditors. Gallagher assumed full control of the receivership entities and their operations, employees, inventory, and business assets, as well as substantial assets of the

company's principal owners. Gallagher coordinated with federal law enforcement authorities and took possession and control of all company assets, computer systems, employees, management, and documents; controlled and secured business premises in Maryland and Florida; inventoried and preserved assets, including real property and personal property; prevented further injury to consumers; enforced the Court-ordered stay of legal actions; negotiated with secured and unsecured creditors to resolve claims; managed, administered, and ultimately liquidated business operations; and identified and secured assets for the receivership estate. The Court identified *Midway Industries* at the time as the most substantial fraud case ever brought before the Court and referenced Gallagher's work as "exemplary and outstanding."

## **Representation of Commission to Restore Trust in Policing**

The Maryland General Assembly's Commission to Restore Trust in Policing engaged **Peter Keith** and **Meghan Casey** to serve as counsel to the Commission and assist in overseeing an investigation of the Baltimore City Police Department's Gun Trace Task Force. The Maryland General Assembly charged the Commission to Restore Trust in Policing with examining the destructive and illegal behavior of the Baltimore City Police Department's Gun Trace Task Force, how such behavior could be prevented in the future, and how trust and confidence in law enforcement could be restored in Baltimore City. With Gallagher's assistance, the Commission issued subpoenas, compelled the production of tens of thousands of documents, conducted interviews, received testimony at public hearings, considered recommendations for police reform, and prepared findings and recommendations. On December 2, 2020, the Commission issued a **180-page report** to the Governor and State legislature, analyzing the police misconduct scandal and presenting specific recommendations for police reform in Baltimore City and throughout the State. The Commission's recommendations helped lead to legislation on police reform enacted by the State legislature.

**Maryland General Assembly – Investigation of Roy C. McGrath,  
former Chief of Staff to the Governor of Maryland and Director  
of the Maryland Environmental Service**

The Maryland General Assembly's Legislative Policy Committee and Joint Committee on Fair Practices and State Personnel engaged Gallagher to conduct an investigation relating to possible misconduct and mismanagement in a state agency, the Maryland Environmental Service. The focal points of the investigation were (i) a \$239,000 "severance" former MES Director McGrath received when he departed MES to become the Maryland Governor's Chief of Staff without any intervening period of unemployment, and (ii) substantial expense reimbursements McGrath submitted for lavish trips, meals, and executive training courses during his time as MES Director. During the investigation, the Gallagher team gathered and analyzed thousands of documents, interviewed dozens of witnesses, and conducted witness examinations at three legislative hearings. Gallagher submitted to the General Assembly a comprehensive report documenting its findings and recommendations, which was published in May 2022. A grand jury for the District of Maryland indicted McGrath on six counts of wire fraud, embezzlement, theft, and fraud in connection with his activities as MES Director. The Office of the State Prosecutor filed a criminal information against McGrath charging him with 27 counts of unlawful intercept, misconduct in office, theft, and misappropriation in connection with the same activities. Mr. McGrath's federal trial was scheduled for March 2023, but he absconded before the trial began. The allegations in the indictment and criminal information overlap with the facts Gallagher uncovered during our investigation.

## **Department of Justice – Maxim Healthcare Group**

The Office of the United States Attorney in Newark, NJ appointed Gallagher to serve the Department of Justice as monitor for Maxim Healthcare Group under a deferred prosecution agreement that involved payment of a \$150M fine and a Corporate Integrity Agreement. Gallagher worked with the Department of Justice and Maxim for two years to oversee the company's implementation of substantial new policies and procedures, to ensure compliance with federal law and the deferred prosecution agreement. Our work involved oversight of nearly every aspect of Maxim's operations, from corporate headquarters to its hundreds of field offices located in nearly every state, tens of thousands of home health aides, provision of health care services, and billing practices covering tens of millions of dollars annually. Our oversight focused on monitoring the company's policies, practices, and procedures in five areas: (i) submission of true, accurate and complete claims to payers; (ii) true, accurate, and complete documentation of patient services; (iii) compensation and sales goals; (iv) professional development, training, and human resources; and (v) the delivery of patient care by clinical staff and clinical leadership. We worked with Maxim's senior leadership, as well as senior leadership within the Department of Justice's Office of the United States Attorney, to monitor and ensure compliance, timely reporting, and the implementation of appropriate financial,

earnings, and compensation incentives.

## Contact Us

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To learn more about our Investigations capabilities, please feel free to reach out to any of the attorneys on our team or email [\*\*msaudek@gejlaw.com\*\*](mailto:msaudek@gejlaw.com).

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