

White Collar Group Of The Year: Steptoe & Johnson

By **Richard Vanderford**

Law360, New York (January 22, 2013, 8:39 PM ET) -- Steptoe & Johnson LLP's white collar practice combines the tight-knit feel of a boutique law shop with the backing and resources a larger firm affords, earning the group an impressive roster of clients like Goldman Sachs Group Inc.'s Lloyd Blankfein, along with a place on Law360's list of White Collar Groups of the Year.

In 2012, Steptoe represented Blankfein as government investigators looked into his involvement in Goldman's mortgage activities, a probe that led to no charges. Steptoe's 10-partner white collar group, whose attorneys are largely based in Washington and New York, has made a business of counseling high-profile clients like Blankfein.

The firm has also been retained to represent David Rainey, BP PLC's former head of exploration for the Gulf of Mexico, who in November was charged with obstructing Congress and lying to law enforcement in connection with the Deepwater Horizon rig disaster.

Within Steptoe, whose 500 attorneys and professionals are known for their litigation prowess, the group has earned its own reputation for success, with just 10 partners and a little over a dozen associates and other attorneys supporting them, according to Brian Heberlig, head of the practice area.

"Everyone within the group pretty much knows what everyone else is up to," Heberlig said in an interview. "[But] we have the ability, when larger things come in, to draw upon more resources when we need them."

The group's size is no accident — Steptoe has been selective about who to promote and hire, Heberlig said.

"We have been cautious about growth because we do work with each other closely and need everyone on the team to be able to pull their own weight," he said.

Most of the group's top staff have come up as Steptoe associates, but the firm has, when impressed by an outside lawyer, chosen to hire laterally, he said.

The white collar group brought on its sole Chicago-based partner, former Assistant U.S. Attorney Chris Niewoehner, after going up against him in connection with the prosecution of former Illinois Gov. Rod Blagojevich. Niewoehner is Steptoe's only white collar partner based outside New York and Washington.

"We've been very reluctant to grow [laterally] unless we have a personal connection with a lawyer who's coming into the group," Heberlig said.

The cautious approach to growth has not hurt the group's business. One talented lawyer in particular, Reid Weingarten, has managed to attract a host of significant clients to the firm, Heberlig said. Weingarten has established himself as a go-to lawyer for prominent clients who find themselves in hot water with prosecutors, according to Heberlig.

Weingarten represented Goldman's Blankfein in the recent government investigation, and represented Anthony Chiasson, the co-founder of hedge fund Level Global Investors LP, in a recent insider trading trial. Though Chiasson was ultimately found guilty, the case was hard-fought, Heberlig said.

"He has developed his own incredible reputation, and people who find themselves in potential harm's way call him," Heberlig said.

Step toe also defended Edward Sullivan, a U.S. Department of Justice anti-corruption attorney targeted in an internal investigation of the prosecution of Ted Stevens, the late U.S. senator from Alaska. Sullivan, who had worked on the case, was cleared of any wrongdoing after a three-year investigation.

In another 2012 case, Steptoe helped Ofer Paz, the CEO of an Israeli company that acted as sales agent for companies in the law enforcement and military products industries, fend off charges that he had bribed government officials to secure contracts.

Prosecutors dismissed the case after lawyers from Steptoe and firms representing Paz's co-defendants pushed them to drop it, Heberlig said. A central cooperator had an inappropriate personal relationship with FBI investigators, he said, and prosecutors had failed to make charges stick in jury trials against related defendants, he said.

Prosecutors had charged 22 individuals, making the case the largest Foreign Corrupt Practices Act case against individuals, according to Steptoe.

In cases like this, Steptoe's white collar practitioners can lean on other practice groups for assistance. The firm has a large FCPA practice, and securities lawyers are able to provide assistance in the parallel criminal-U.S. Securities and Exchange Commission cases that have become common, Heberlig said.

In the coming year, the firm intends to maintain the careful recruiting practices that have drawn together its winning team, Heberlig said — so new Steptoe white collar offices won't be popping up unless anchored by a great attorney.

"We feel good about our numbers," he said. "We have a great team right now. I wouldn't say we're actively looking to grow."

--Editing by Kat Laskowski.