

Respected Federal Prosecutor Joins Morgan Lewis

■ Leslie Caldwell, once director of the Enron task force, will take up white-collar defense work in New York City.

By Erik Cummins
Daily Journal Staff Writer

After being intensely recruited by top law firms across the country, Leslie Caldwell has left the U.S. Department of Justice to join Morgan Lewis & Bockius.

Most recently, Caldwell, 47, was director of the Department of Justice's task force investigating the collapse of Enron Corp. Before that, she spent three years as chief of the securities fraud and criminal divisions at the U.S. attorney's office in San Francisco.

She is scheduled to start Sept. 20 at Morgan Lewis.

"She is one of the top white-collar lawyers in the country," said Rory Little, a former assistant U.S. attorney who now teaches at Hastings College of the Law. "She's a great catch for any law firm. She has great credibility with the defense bar."

Several firms tried to recruit Caldwell, according to Doug Young, a partner at Farella, Braun & Martel in San Francisco.

"A lot of folks were interested in her," he said.

Caldwell stepped down as head of the Enron prosecution team in March but remained with the Department of Justice until Sept. 3. She said she had been considering a move to private practice for several months.

"I'm very pleased with the level of interest," Caldwell said.

At Morgan Lewis, Caldwell will work not only on internal investigations for corporate clients but also defend clients in criminal cases. In addition, she'll advise clients on compliance and enforcement issues relating to the Securities and Exchange Commission and the Sarbanes-Oxley Act of 2002.

She'll also help Morgan Lewis build its white-collar practice, said Fran Milone, chairman of the 1,200-lawyer firm. So far, the firm has 15 lawyers doing white collar criminal defense work.

"It does bring us to a new level in certain areas," Milone said. "She is one of the highest caliber, best known white-collar attorneys in the country now."

Caldwell took over as head of the Department of Justice's Enron team in 2002. At the task force's peak, she led a team of 10 lawyers and more than 25 FBI and IRS agents. Ultimately, the team

indicted 32 people, including former Enron Chairman Ken Lay and CEO Jeff Skilling. The team also obtained guilty verdicts from 11 people involved in the scandal, including former CFO Andrew Fastow.

In 2002, Caldwell was one of the leading candidates for the job to replace Robert Mueller as U.S. attorney for the Northern District. President Bush selected Mueller to head the FBI in 2001. Mueller recruited Caldwell to the office in 1998 after a nationwide search.

"I'd love to be a U.S. attorney; it's a very exciting job," Caldwell said. "But there's a lot of political considerations and it's not the kind of thing you sit around waiting to get."

In 2002, Caldwell dropped out as a candidate for the job, choosing instead to head the Enron team in Houston and Washington, D.C. President Bush appointed former San Francisco Superior Court Judge Kevin Ryan to lead the office.

Caldwell said working on the task force was satisfying because "it was very important to restore some level of confidence" to investors.

She wouldn't rule out returning to the public sector, but said she is now focused on her new job at Morgan Lewis.

Caldwell, who lives in Manhattan, will work in Morgan Lewis' New York City office. She'll also spend time in Los Angeles and San Francisco, where she'll develop the firm's West Coast criminal defense practice.

She said she was attracted to Morgan Lewis because it has a national practice that includes not only securities but also life sciences clients. It also has offices in the key areas for white-collar criminal cases — Washington, D.C., New York and California, she said.

Other firms with bi-coastal white-collar practices, such as Latham & Watkins and O'Melveny & Myers, were involved in Enron litigation. Caldwell is conflicted out of working on any ongoing Enron litigation.

Caldwell predicted she won't have any trouble trading in her prosecutor's "white hat" for a defense role. Instead, she expects to encounter many new challenges as a defense lawyer.

"As a prosecutor, there aren't that many kinds of cases I haven't already done," she said.

Robert Feldman, the former head of Wilson,



CALDWELL

Sonsini, Goodrich & Rosati's litigation practice in Palo Alto, said Caldwell is a "very serious, very determined" prosecutor.

"Now she needs to make the switch to represent the kinds of people she's prosecuted," Feldman said.

Joseph Russoniello, a former U.S. attorney now with Cooley Godward, said he wasn't surprised Caldwell left public service for private practice.

"Anybody with her seniority and reputation would want to know if she was marketable," he said.

Although Morgan Lewis already has a recognized white-collar practice, Russoniello said, "She'll add luster to their team."

As an assistant U.S. attorney in San Francisco, Caldwell helped develop the office's securities fraud prosecution team at a time when the field was coming into vogue, Young said.

"She is pretty demanding of the standards of conduct of the corporate community," said Bob Friese, a securities litigator at Shartsis, Friese & Ginsburg in San Francisco.

Little said Mueller and Caldwell brought a new level of professionalism to the U.S. attorney's office in San Francisco in the late 1990s. Both, he said, initiated strict performance rules and improved the efficiency of the office.

One lawyer who asked not to be named said the office "needed a shake-up and got a shake-up" under Mueller.

"He brought in a lot of aggressive prosecutors to help reshape the office, and she was one of them," the lawyer said.

Cristina Arguedas, an Emeryville criminal defense attorney, said Caldwell was a strong advocate and a strong leader for the office.

"She came in not knowing anyone except the boss, and she quickly developed the loyalty of the assistants," Arguedas said. "The proof is in the cases they brought, which were really substantial."

The same was true of her work on the Enron task force.

"It was incredibly complicated, and it was a successful effort," Arguedas said.

Caldwell came to San Francisco in December 1998 after working as an assistant U.S. attorney in Brooklyn, where she prosecuted organized crime and gang figures. She has tried more than 50 jury cases and argued 25 appeals. She earned her law degree at George Washington University Law School in 1982.

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