

White Collar Group Of The Year: Covington

By **Elliot Weld**

Law360 (January 31, 2025, 4:03 PM EST) -- Covington & Burling LLP successfully ended a five-year government investigation into alleged illegal monkey importation by two drug development companies with no enforcement actions and secured a favorable plea for a private equity manager accused of what prosecutors claimed was the most significant white collar case ever in Oregon, earning a spot among the 2024 Law360 White Collar Groups of the Year.

With around 60 senior attorneys working in the practice group, the firm's white collar defense and investigations co-chair Steven Fagell said the firm boasts an "unmatched record in securing declinations" for clients being investigated by the government, meaning investigators close their probe without taking action.

Fagell added that the firm is distinguished by its "market-leading regulatory expertise, which is so often at the core of modern day white collar enforcement" and a "culture of collegiality and collaboration."

"I think many firms have experience in settling big cases for big dollars but very few firms — and Covington leads the pack, I would say — have experience in routinely convincing the enforcers to close cases without action," Fagell said.

Fagell joined the firm as an associate in 2001 and became a partner in 2008, left to serve in the U.S. Department of Justice's Criminal Division in 2009 and returned the following year. He has co-chaired the global white collar practice group since 2017.

Asked how the firm is able to secure so many declinations, Fagell said Covington likes to say they are "honest brokers with the facts, but very tenacious advocates on behalf of our clients."

"What that means, I think, is that we have a deep reservoir of credibility with regulators and that allows us to achieve these pretty extraordinary results for our clients," Fagell said.

Aaron Lewis, who has co-chaired the white collar practice since last year, joined Covington as an associate in 2006 but followed Eric Holder to work in the Office of the Attorney General when he became Attorney General under then-President Barack Obama in 2009. Lewis later worked as a federal prosecutor in two districts.

He rejoined Covington in 2015 when it opened its office in Los Angeles. Lewis said that office has grown



from five lawyers at the time to about 60 now.

Lewis said, "We're always on the move at Covington and this year was no different," adding that the firm had a number of notable additions in the last year, including Kristin Mace, who was the head of the Criminal Division for the U.S. Attorney's Office for the Eastern District of New York and Dana Remus and Stacey Grigsby, who formerly worked at the White House Counsel's Office.

The firm represented Scott Gillis, the former chief operating officer and chief financial officer of Oregon-based private equity firm Aequitas Management while the DOJ and U.S. Securities and Exchange Commission investigated the firm's collapse. Covington said it negotiated a deal for Gillis to plead guilty to one count of making false statements to a bank out of 34 criminal charges alleging he'd participated in a massive Ponzi scheme that, according to the firm, the government considered the most significant white collar case in Oregon's history.

Gillis was sentenced to probation in October 2023, while Aequitas CEO Robert Jesenik was sentenced to 14 years in prison. Two other Aequitas executives were sentenced to 70 months and 37 months in prison in September 2023.

"I think that the case really shows that in addition to being really fierce advocates for our corporate clients, which, as you've seen, has led to an extraordinary record of declinations and favorable resolutions, we are equally fierce on behalf of our individual clients and can rescue them from very serious federal criminal charges," Fagell said.

In August, the firm secured a declination for pharmaceutical research company Inotiv after Florida federal prosecutors launched a probe in 2019 into whether two companies it acquired had imported wild-caught endangered monkeys in violation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the Endangered Species Act and the Lacey Act.

Prosecutors confirmed that Inotiv and its subsidiaries were no longer being investigated that month, according to the firm.

Lewis said the case was an example of the synergy that exists between teams at Covington and the "deep bench" of former prosecutors and attorneys with regulatory expertise that the firm has. The case was somewhat unusual, Lewis said, because of the statutes used and its length.

"It really, I think, spotlights the need in these cases for deep regulatory expertise coupled with tenacity," Lewis said. "And I think we really excel in that arena."

--Editing by Alyssa Miller.