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TALK**



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FEW WEEKS AGO, as Mark MacDougall was sitting at his desk in a cluttered office near DuPont Circle in Washington, D.C., an e-mail from an unfamiliar address popped up on his computer. It was a letter from a popular online Russian language newspaper that had published vicious stories about one of MacDougall's clients, an Eastern European business executive. For more than eight months, the publication had brushed off MacDougall's demands for a retraction. When he filed a libel suit in London, no reaction. But now, after winning a six-figure default judgment and starting to enforce the judgment, he finally got a response.

In the e-mail, the newspaper now agreed that its stories were false. It offered a published retraction, an apology, and a contribution to a charity of the client's choosing. MacDougall reached for his telephone. It was late in Moscow, but he knew the client wouldn't mind the call.

MacDougall of Akin Gump Strauss Hauer & Feld runs what is arguably the world's best private fact-checking department, one that would put *The New Yorker* magazine's legendary operation to shame. While his fellow white-collar defense lawyers in Washington, D.C., schmooze reporters over lunch, MacDougall's team is headed to an African grave to prove a case of mistaken identity or tracking a former KGB official to his dacha to determine that a document with his name

The Cleaner

Business threatened by a libelous story?
Name unfairly placed on a terrorist watch list?
Mark MacDougall of Akin Gump will make the
problem go away.

By Seth Hettena

on it was a forgery.

MacDougall works closely with investigative giant Kroll Inc. For each case, Kroll puts together a squad of investigators that fans out around the world. Sometimes MacDougall travels and sometimes he does not, but the squad always includes investigators who know the locations and languages likely to be important. Kroll does most of the digging; then, armed with that information, MacDougall takes whatever action is necessary to stop a lie from spreading.

MacDougall calls it “reputational recovery.” It can cost up to \$1 million per engagement, but failing to answer a false allegation linking someone to the mob, drugs, or terrorism can ruin more than his wealthy clients’ reputation. It can scare off financial institutions and businesses, often just when MacDougall’s clients (whom he declined to identify) need them most.

“Our job is to kill the *false* story. Not the *bad* story, which is what a PR guy does,” says MacDougall, a no-nonsense man with a trace of a Boston accent. “When they start retracting, the medicine is in the system, and the disease starts to go away very quickly.”

MacDougall’s reputation recovery practice can be traced back to a 1999 *USA Today* story by reporter Jack Kelley, who was later exposed for faking stories. Kelley linked a MacDougall client to Osama bin Laden’s terrorist network, and the allegations kept popping up elsewhere for years. The problems didn’t go away until MacDougall hired Kroll to investigate the client. Armed with an exhaustive report, MacDougall got the newspaper to correct the record in 2004.

Most of MacDougall’s work involves overseas publications whose reports have filtered back into Western news outlets. “You don’t find the kind of way-out charges being leveled in the United States,” he says. “When we’ve had problems with U.S. publications, we wrap them up very quickly.” MacDougall has obtained corrections or retractions

from *The Atlantic Monthly*, *The Times of London* and *USA Today*. Other stories have been stopped before they made it into print. “We know of stories that were going to come out where he’s at least made them pause and do additional work,” says John Oswald, a former Lord, Day & Lord partner now with Capital Trust Group, an investment bank. He has referred several clients to MacDougall.

Much of MacDougall’s work involves new money in Eastern Europe. In 2003, for example, a report in the highly regarded *Jane’s Intelligence Digest* linked client Eural Trans Gas to Simeon Mogilevich, an alleged crime boss on the Federal Bureau of Investigation’s most wanted list. The evidence for the mob link was a letter written to Interpol in 1998 by a former Russian Interior Ministry official. The client insisted that the letter was a forgery. MacDougall sent Kroll to find the letter’s author, a former KGB official named Major General A.P. Mordovetz, who had since retired and knew how to disappear. After a few weeks, investigators located him at his dacha in the Russian countryside. Mordovetz swore that the document was a forgery, and *Jane’s* published a retraction.

Another Eastern Europe adventure involved Rinat Akhmetov, a coal-and-steel tycoon, soccer team owner, and member of the Ukrainian parliament who has had problems with President Victor Yushenko’s government. In 2005 a Ukrainian prosecutor linked Akhmetov to a 17-year-old shooting. Kroll investigators found the victim; MacDougall questioned him and obtained a declaration absolving Akhmetov.

The Middle East is another steady source of work, much of it from clients who are mistakenly put on terrorist watch lists. Besides travel restrictions, being put on a terrorist list means that banks don’t make loans, and transactions aren’t processed. One client was involved in a multibillion-dollar joint venture with a partner who suddenly got cold feet when the client appeared on a terrorist list; MacDougall cleared him.

A similar fate befell Mohammed Hussein Al-Amoudi, a Saudi oil magnate whom Forbes ranks as the ninety-seventh-richest man in the world. Al-Amoudi was linked to Osama bin Laden by French author Jean-Charles Brisard. MacDougall helped secure an admission in a London libel lawsuit from Brisard that the claim was false.

MacDougall is expensive, but John Oswald, who has extensive contacts in the Middle East, says the value of MacDougall’s work far exceeds the cost. “These are very successful business folks. If their reputation is injured, it’s not a question of some mud being thrown at them,” says Oswald.

MacDougall, 51, is the son of a union carpenter and a nurse. He was an Eagle Scout who grew up in Woburn, Massachusetts, just outside Boston. He attended The George Washington University Law School at night and worked during the day as a commercial banker. He joined Akin Gump in 1986 and made partner in 1994 following a stint as a federal prosecutor. Besides his reputation work, he has represented indigent inmates on death row. His pro bono defense of Bobby Lee Holmes, convicted of raping and murdering an 86-year-old woman, lasted eight years, culminating in a 2006 U.S. Supreme Court decision vacating the sentence.

Current cases include a suit against Alcoa Corp. on behalf of a Bahraini aluminum firm, accusing the U.S. metals giant of bribing a senior official in Bahrain. The lawsuit is on hold pending a criminal inquiry by the U.S. Department of Justice. And in November, he is scheduled to defend former CIA executive director Kyle “Dusty” Foggo, who will go to trial on federal charges of fraud, conspiracy, and money laundering.

Reputation recovery won’t work for everyone, and MacDougall says he has turned work away from clients who merely don’t like the way they’ve been portrayed in the press. “We don’t do unfair,” he says. “We do false.” ■