



Rajaratnam's lawyer Dowd - a man for big cases

February 18, 2011



REUTERS/Shannon Stapleton

NEW YORK (Reuters) — For seasoned defense lawyer John Dowd, the insider trading trial of Galleon Group hedge fund founder Raj Rajaratnam is one more big assignment in a long career of high-profile cases.

Dowd, perhaps best known for investigating bets on baseball by Cincinnati Reds great Pete Rose, has over the years represented people from U.S. Senator John McCain to an executive who played a key role in the Enron Corp scandal.

Now he is defending Rajaratnam, the central figure in the broadest Wall Street insider trading case in a generation. A hallmark of the investigation was the U.S. government's use of secret recordings of suspects, tactics usually reserved for organized crime probes or narcotics cases.

Prosecutors accuse Rajaratnam of making as much as \$45 million between 2003 and March 2009 on inside tips about Google Inc (GOOG.O), eBay Inc (EBAY.O), Intel Corp (INTC.O) and other companies. He has pleaded not guilty and will stand trial in New York starting on March 8.

The charges announced in October 2009 and accusations against two dozen others shocked the \$1.9 trillion hedge fund world. Rajaratnam's arrest also sent jolts through his native Sri Lanka, initially knocking 5 percent off the stock market.

Dowd, 69, has proved to be a tough defender of his wealthy client, challenging the government's wiretaps and the prosecution's theory of what constitutes insider trading.

"It is legal to trade stock, and the law does not place a person's liberty at risk simply because he trades in the company's stock while knowing something about the company," the Washington-based lawyer wrote in court papers in early February.

Insider trading cases can be difficult for the government to prove at trial. It must convince a jury that a defendant knew he or she was trading on material, nonpublic information.

Dowd took the case 10 days after the arrest of Rajaratnam, whose Galleon Group managed \$7 billion at its peak.

RAPPORT WITH CLIENTS

At more than 6 feet tall and with his bearish physique, former U.S. Marine Corp Captain Dowd has towered over the lectern or defense table in pretrial hearings in Manhattan federal court. His longtime colleague, Terence Lynam, usually sits beside him, and Rajaratnam fills a chair behind them.

Lawyers who know Dowd praise his legal skill and rapport with clients.

Sam Buell, a former federal prosecutor who investigated Enron after the energy company's 2001 collapse, said Dowd "was very easy to deal with," not an 'in-your-face' type of defense attorney."

Dowd's client, David Delainey, was one of the highest-ranking Enron officials to plead guilty and cooperate in the fraud probe of top executives Jeffrey Skilling and Kenneth Lay.

"It was clear to me that he had developed a high level of trust with his client," said Buell, now a law professor at Duke University in Durham, North Carolina. "Dowd has played a lot of different roles. He's not a lawyer with one particular m.o."

Dowd declined an interview request. After a hearing in the case this week, he told reporters that the defense team was ready to "rock" for the expected six- to eight-week trial.

'LOVABLE CURMUDGEON'

Dowd, head of Akin Gump Strauss Hauer & Feld LLP's criminal litigation group, is part of a generation of lawyers that is thinning out from Washington's corridors of power.

"He comes across as a lovable curmudgeon, a lovable curmudgeon offended by injustice," said another prominent Washington defense lawyer, Brendan Sullivan, who has known Dowd professionally for 30 years.

Dowd, who speaks with a hint of an accent from his native Massachusetts, attended Emory University and Emory Law School in Atlanta. He has five children and 11 grandchildren.

Like many top defense lawyers, Dowd first made a name for himself as a prosecutor at the U.S. Department of Justice.

He was part of tax fraud and organized crime-fighting units that conducted an internal investigation of the FBI and prosecuted underworld figure Meyer Lansky. A jury acquitted Lansky, dubbed the mob's accountant, in 1974.

Dowd went into private practice in 1978. An avid fan of "America's pastime," he may be best known for his work on behalf of Major League Baseball in 1989. The "Dowd Report" revealed that Rose placed bets on baseball games while manager of the Cincinnati Reds in 1987. Rose was barred from baseball.

Dowd represented McCain on congressional ethics charges in the "Keating Five" banking scandal in the late 1980s and early 1990s. The Republican senator was cleared of impropriety.

Last year, Dowd and his team sought, unsuccessfully, to suppress the recordings of Rajaratnam's telephone conversations from trial. The judge required an FBI agent and a prosecutor to testify, with Dowd asserting "they gamed the system" to secure court approval for the wiretaps.

More than a dozen other defendants have pleaded guilty.

It's hard to speculate on Dowd's trial strategy without knowing all the evidence, lawyers watching the case said.

"The law is heavily stacked against defendants in the pre-trial phase," said Stuart Gasner, a securities fraud defense lawyer at Kecker & Van Nest in San Francisco. "The trial is the place where you get to prove your innocence."

Both Buell and Sullivan said they expected jurors to like Dowd.

"He is fearless in a courtroom," Sullivan said, "and he has a wonderful way with a jury."

The case is USA v Raj Rajaratnam et al, U.S. District Court for the Southern District of New York, No. 09-01184.

(Reporting by Grant McCool; Editing by Lisa Von Ahn)