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# Stanford Fraud and the Florida Bar Miami Beach

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*Miami Beach – CityDebate.Com – September 19, 2009* - One thing has become increasingly clear as a result of the Miami Herald’s ongoing investigation into the Stanford Fraud: Allen Stanford would not have succeeded in bilking investors out of billions of dollars without the collaboration of certain members of the Florida bar working under the auspices of the State of Florida and Florida’s “powerful” “politically connected” law firms. What the Texans could not be done in Texas was more than gladly performed in Florida.



The agreement between Mr. Stanford and the State of Florida that established a unique, heretofore unheard of foreign trust to launder money in Miami was so outrageous from the legal standpoint that several knowledgeable attorneys were left aghast by the alleged brazen evasion of the law and breach of ethics by their colleagues. The trust was called a Miami “bank” in order to obtain deposits from trusting Latin American investors. Bags of funds were shipped from Miami to Antigua as related documents were shredded. Regulators stood by, not noticing any “red flags” because they had been hogtied.

The investigators are trying to follow the money as we speak. If they are able to find the underlying cause of the fraud despite the fraudster’s erasure of the money trail under the noses of regulators, we may see the prosecution of the lawyers who instantiated the scheme. Even if the attorneys involved are able to use their powerful connections and legal skills to wiggle out of criminal liability, they may be held to account by their profession, or rather by the Supreme Court of Florida, which oversees it. The Supreme Court of Florida has a powerful organ, named The Florida Bar, responsible for the licensing and disciplining of attorneys at law and for the prosecution of the unauthorized practice of law.

The Florida Bar is an “integrated” or mandatory bar. Florida attorneys must be members of the Bar in order to practice law in the state. An integrated bar, inasmuch as it is an agency of the presumably impartial judiciary, is purportedly untainted by the politics of the legislative and executive branches of government.

Some time ago, in the Thirties, state supreme courts became concerned with the black eye the legal profession had gotten for the misconduct of its meaner members. In response to the mounting attacks on the legal profession’s integrity, and citing the opinions of courts, the courts discovered that courts have always had an innate or inherent power, by virtue of their very existence, to license and regulate lawyers, who were essentially their own officers i.e. officers of the court, and that

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any involvement of the other branches in regulating the legal profession was merely a courtesy extended to them by the judiciary. Roughly, half of the states wound up with integrated bars, whereby all lawyers were integrated into one system and forced to pay dues – their main objection has not been the disciplinary function, since permanent disbarments have been relatively few in number, but rather the political or representative behavior of their integrated bars.

The Florida Constitution was eventually amended to give absolute power over the regulation of officers of the court to the Florida Supreme Court, although such an amendment was supposedly unnecessary inasmuch as the Court naturally had that right at birth, when it was originally constituted. In cases of disbarment, the Florida Supreme Court is, essentially, judge, jury, and prosecutor, since The Florida Bar, which prosecutes and hears cases, is just an “arm” of the Court that makes the ultimate decision.

The Supreme Court may permanently disbar attorneys for unethical conduct and incompetence even if no criminal conduct has been proven. Lawyers must adhere to a stringent code of ethics or risk losing their license to practice or having it suspended. That code requires them to report the unethical behavior of their peers to The Florida Bar.

Wherefore we may wonder if any of the attorneys who have been quoted as saying they suspected that the arrangement between Allen Stanford and the State of Florida was unethical or unlawful actually filed inquiries or complaints with The Florida Bar. If they did so and if The Florida Bar staff declined to take action over a year ago, there would apparently be no record at The Florida Bar, because its judicious policy mandates the purging of such records after a year. Still, ethical attorneys may want to file reports of unethical and/or unlawful behavior now, and the victims of the Stanford Fraud, besides suing everyone involved, may want to file complaints with The Florida Bar – information may be obtained at [www.floridabar.org](http://www.floridabar.org).

**Editors Note:** *The author is not an attorney and his opinions never constitute legal advice. Contact a competent and ethical licensed attorney for legal advice.*

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