



EXCLUSIVE: Alleged Florida Ponzi Scheme Victim Speaks Out

Lawyer Scott Rothstein's Alleged Fraud Has Left Lawyers, Politicos, Clients, and Investors In a Tizzy

By REYNOLD HOLDING, ZUNAIRA ZAKI, ANNA SCHECTER, and DREW SANDHOLM

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Scott Rothstein's suspected [Ponzi scheme](#) that lawyers involved in the case have estimated to have lost hundreds of millions of dollars has been called a "tragedy" by one [investor](#) who says he is at risk for tens of millions of dollars. The scandal has sent lawyers, investors, and politicians alike in a tizzy while investigators are scrambling to learn exactly how much money has been lost.

Rothstein, a partner of the law firm Rothstein Rosefeldt and Adler, is suspected of running a covert investment scheme on the side and may have walked away with "substantial sums" put up by investors, according to a lawsuit brought by his partner, Stuart Rosenfeldt.

Rothstein attracted investors by promising huge returns and selling settlements he said he had reached, but at least some of those settlements did not exist, according to Rosenfeldt's suit.

"This is a terrible tragedy for the entire community," George Levin, who says he was a major investor in the Rothstein's settlement business and fears he is one of the biggest losers in the alleged Ponzi scheme, said through the family's spokesman Don Silver of Boardroom Communications.

Kendall Coffey, a former U.S. Attorney who is representing Rothstein, said he is dealing with a "dizzying" array of issues related to Rothstein. "This is breaking news for everybody."

Rothstein was a major contributor to the [Republican Party](#) and to multiple charities around [South Florida](#), and a regular in the society pages of local newspapers.

Referring to lawyers, politicians, clients, investors and others that could be affected, Coffey added: "When something like this blows up, the shrapnel lands in a lot of places."

Rothstein Gave To Republican, Democratic Parties

Florida's Republican governor [Charlie Crist](#), a close friend of Rothstein's who also received funds from his friend quickly issued a statement that he was returning any money received from Rothstein "In an abundance of caution, the Charlie Crist for [U.S. Senate](#) Campaign will return contributions received from Scott and Kim Rothstein," a spokesman said.

Contributions in the amount of \$9,600 will be turned over to a proper entity as soon as possible, according to Crist's office. At today's hearing a judge appointed Rosenfeldt, the firm's president, as the

receiver for winding up the firm. Rosenfeldt will hire an accountant to audit the firm's and the spin-off business' accounts to see what happened to the money and how to handle the firm's debts.

Rosenfeldt told ABC News that Rothstein was back to the U.S. from a trip to [Morocco](#), but said he didn't know where Rothstein is.

Coffey told ABC News that he received confirmation that Rothstein arrived in the U.S. by private jet today and has been meeting by federal authorities.

The [FBI](#) is collecting information on the case, but has not launched an official investigation yet, according to sources close to the FBI, although the Bureau itself declined to comment officially. On behalf of the Ft. Lauderdale Police Department, Sgt. Frank Sousa said, "We have no part in any investigation at this point."

A spokesperson for Jeffrey Sloman, U.S. Attorney in Florida's Southern District, said the office "can neither confirm nor deny the existence of any investigation." When ABC News tried to reach Rothstein by a cell phone number listed for him, a message said that the number had been disconnected.

Residents "Surprised" By Allegations

Local Fort Lauderdale residents told ABC News that he made a major mark on the Florida society scene about a year ago, as he and his wife, Kim, were often featured in the "Society Scene" section of the *Florida Sun-Sentinel*.

One local who knew Rothstein said he was "surprised" at the news: "He was a very nice man," said the resident, who did not want to be named.

Now politicians are scrambling to return the allegedly tainted money that the received, although much of what he gave [The Republican Party of Florida](#) in years past has already been spent, according to the Party.

"The Republican Party of Florida is currently putting a plan in place to turn over contributions associated with Rothstein. The funding will be turned over for placement in a victim compensation fund when such a fund or similar entity becomes available," a spokesman for the Party said today.

This applies to the \$148,244 the party says they received from Scott Rothstein and his law firm in 2009 (\$50,000 from Scott Rothstein, \$90,000 from Rothstein Rosenfeldt Adler, \$8244 in in-kind contributions).

Rothstein also gave to [Democrats](#) .

Scott Arceneaux, Executive Director of the Florida Democratic Party says that, "in accordance with our policy to return tainted donations, we have, through our attorney, refunded the questionable donation from the law firm of Rothstein, Rosenfeldt, & Adler. We sincerely hope our action today helps the victims of any wrong doing recover what they have lost."

The state Democratic Party says it received just one donation from Rothstein law firm this year and did not receive any personal donations from him or his wife Kim.

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