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Stanford's Lawyer Played Key Role In Shielding Banker From Scrutiny

Zachary Roth | January 4, 2010, 12:01PM

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Marty Katz/washingtonphotographer.com

Attorney Carlos Loumiet.

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We **told you earlier** today about Yolanda Suarez, the Florida lawyer who forged ties with members of Congress and ran interference with journalists on behalf of Allen Stanford. But it's also worth paying attention to another Florida lawyer and key Stanford ally, who appears to have played an equally crucial role in allowing the Texas banker -- who was charged in June with orchestrating a multi-billion dollar Ponzi scheme -- to stay a step ahead of the government for so long.

As Stanford's lawyer of choice, Carlos Loumiet helped set up the unusual regulatory arrangement that allowed the Stanford Financial Group (SFG) to move hundreds of millions of dollars from Florida to Antigua with little scrutiny. Soon afterwards, he served on a Stanford-funded task-force to rewrite Antigua's banking laws -- an effort that U.S. regulators have said left major loopholes and hindered efforts to crack down on fraud. And the court-appointed receiver seeking to unravel Stanford's far-flung financial empire has demanded that the two law firms that have employed Loumiet -- who hasn't been charged with any wrongdoing -- hand over records of their work on behalf of Stanford.

As the *Miami Herald* **reported** earlier this year, the story starts in 1998, when Stanford wanted to set up an easy way to move money from SFG's Miami office, which sold certificates of deposit to investors, to Antigua, where his banking empire was headquartered.

He turned to Loumiet, at the time a lawyer at Greenberg Traurig. That's the Miami firm where Suarez, then SFG's legal counsel, had previously worked, and which would later become known as the firm from which

Jack Abramoff bribed government officials. As the *Herald* has also [reported](#), despite the objections of the state's top banking lawyer, Loumiet prevailed on Florida officials to allow SFG to set up a special trust office that could move money to Antigua without submitting to fraud or money -laundering checks. With the money pipeline established, the *Herald* reported, the Miami office sold millions in CDs over the next decade, then used jets to fly the checks, stuffed in pouches, to Antigua.

That wasn't the end of Loumiet's service to Stanford though. About a year later, the Clinton administration, as part of an effort to crack down on money laundering, was considering cutting off access to U.S. currency for all offshore institutions in Antigua.

In order to convince U.S. regulators to back off, Stanford volunteered to organize and fund a task force to re-write Antigua's banking laws -- allowing him to appoint the task force's members. Stanford named Loumiet and another Greenberg lawyer, Patrick O'Brien.

Loumiet touts the experience in the [bio on his law firm website](#). But the revised laws that he and his fellow panelists drew up were [denounced](#) by the U.S. government as containing loopholes that made it even harder than previously for regulators to access bank records. In a letter to the Antiguan Prime Minister, the Treasury Department complained that the island nation had "weakened its anti-money laundering laws to the point they are now significantly below international standards, making Antigua more vulnerable to money laundering."

In an interview with the *Washington Post* at the time, Loumiet defended Stanford and suggested the U.S. and Britain did not have Antigua's best interests at heart. "Allen Stanford did not feel that if this was done with the benevolent help of the U.S. and Britain it would help Antigua," he said. "They were trying to put the fox in charge of the chicken coop, and frankly the chickens weren't very happy about it."

In any case, the panel had done its job. Stanford's operation continued largely free from regulatory scrutiny.

But Stanford still appears to have taken pains to keep Loumiet involved. When, in 2001, the lawyer moved from Greenberg to Hunton & Williams, where he remains, Stanford switched to the new firm and continued to use Loumiet as a lawyer.

That wasn't all Stanford used Loumiet's new firm for. Since 2000, Stanford Financial Group, like many large companies, had hired lobbyists to promote its interests in Washington. But, according to lobbying disclosure reports, Hunton was hired in 2005 to lobby Congress on tax issues, on behalf of Stanford *personally*. A spokeswoman for the firm declined to discuss what the work consisted of.

The court-appointed receiver on the Stanford case, Ralph Janvey, appears to see Loumiet's work as central to the operation. Janvey has asked both Greenberg and Hunton for files containing records of their work for Stanford. Hunton has handed over some files, but is fighting to keep others secret, citing legal issues regarding jurisdiction and client privilege.

A request to Loumiet from TPMuckraker to discuss his work on behalf of Stanford was referred to a Hunton spokeswoman, who declined to comment.

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