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## Former FBI Director Freeh Appointed MF Global Bankruptcy Trustee

The Bankruptcy Court has appointed former Federal Bureau of Investigation Director Louis J. Freeh as trustee in the much publicized MF Global Holdings Ltd. bankruptcy case. Both the company and its creditors agree that one sole person should be tasked with the responsibility of getting assets back. Among other things, Freeh is to liaise with all regulators for the prompt recovery of creditor funds. The appointment was filed today.

On October 31 all customer accounts of MF Global Inc., the brokerage unit of MF Global Holdings, were frozen when the company could not account for a shortage of funds required to be segregated under US Commodity Futures Trading Commission rules. Subsequently, MF Global Holdings filed for bankruptcy protection to distribute returns to its bondholders and other creditors. MF Global was managed by Jon Corzine, who was formerly the governor of New Jersey and co-chairman of Goldman Sachs. Corzine has since resigned due to the debacle.

Louis Freeh was an FBI agent who rose in the ranks to become the Bureau's director when President Bill Clinton was in office from 1993 to 2001. Earlier, Freeh was a federal prosecutor and was appointed by President George W. Bush to the bench in 1991 to become a judge. His appointment as trustee must be approved by bankruptcy judge Martin Glenn who is presiding over the bankruptcy case.

After stepping down as director of the FBI, Freeh ventured into risk management and formed his own company, Freeh Group International Solutions Inc. He also started his own legal firm. Some of his past and current work involvements include:

- In 2008, heading a 2008 investigation of energy trading losses leading up to the bankruptcy of SemGroup LP
- In 2010, conducting an independent monitoring a Justice Department probe of Daimler AG in 2010

*<http://tampabankruptcy.pro/blog/>*

- Conducting an independent probe of the child sex-abuse scandal at Pennsylvania State University
- Reviewing the security measures for SAT college-admissions test to be in accordance with the Educational Testing Service of Princeton, New Jersey and the New York-based College Board

There appears to be nothing in Freeh's current businesses that would pose a conflict of interest in his appointment as trustee for MF Global. Freeh said in court papers, "I do not personally have any connection with any interested party in these case." Freeh did, however, mention some minor exceptions, for example the work his legal firm has done for Bank of America Corp., that make up less than 1% of its revenue to date.

On Freeh's part, his appointment necessitates him posting a bond of \$26 million within the next 5 days, in accordance with regulations by the Justice Department in its handbook for trustees.