

Crime In The Suites

An Analysis of Current Issues in White Collar Defense



Rubashkin Gets 27-Year Federal Sentence for Fraud

June 21, 2010

Today, U.S. District Judge Linda Reade in Iowa sentenced former kosher meatpacking executive Sholom Rubashkin to 27 years in a federal prison for his conviction on 86 counts of federal financial fraud charges. The prison term will be followed by five years of parole. Mr. Rubashkin will also be required to make restitution of nearly \$27 million to several financial institutions.

The sentence comes down almost a month later than expected, perhaps, as predicted in a previous post, to allow time for the heat die down in this case. Furthermore, the 27-year sentence is greater than the 25-year sentence recommended by prosecutors. The sentence is unprecedented for the crimes at issue. It eclipses the sentences imposed upon Bernard Ebbers, the former chief executive of WorldCom, and Jeffrey Skilling, the former president of Enron Corporation, even though Rubashkin's fraud did not come close to the level of fraud committed by those two individuals and their companies.

The longer sentence also indicates that Judge Reade did not take into consideration Mr. Rubashkin's recent acquittal in state court on 67 counts of child labor law violations, a possibility discussed in a June 11, 2010 post but apparently rejected by the judge. The 27-year sentence is essentially a life sentence for the 51-year old Rubashkin and will likely be appealed by his lawyers.

Crime in the Suites is authored by the <u>Ifrah Law Firm</u>, a Washington DC-based law firm specializing in the defense of government investigations and litigation. Our client base spans many regulated industries, particularly e-business, e-commerce, government contracts, gaming and healthcare.

The commentary and cases included in this blog are contributed by Jeff Ifrah and firm associates Rachel Hirsch, Jeff Hamlin, Steven Eichorn and Sarah Coffey. These posts are edited by Jeff Ifrah and Jonathan Groner, the former managing editor of the Legal Times. We look forward to hearing your thoughts and comments!