

## THE O.P.M. CASE

*The following excerpt from a New York Times article about the OPM case is essential background reading for a simulation exercise that will take place in class. Students will be assigned to play the role of either Myron (or Maxine) Goodman or Andrew (or Ann) Reinhard and will conduct the meeting on June 12, 1980 described at the end of the excerpted article. Note the supplemental information I have added at the end of this excerpt. Additional confidential information and instructions for playing the assigned roles will be given out at the preceding class to students assigned to these roles.*

S. Taylor, "Ethics and the Law: A Case History," New York Times Magazine, January 9, 1983  
(excerpts) <sup>(1)</sup>

... As children, Mordecai Weissman and Myron Goodman went to the same yeshiva in Brooklyn. They attended Brooklyn College together. In 1969, Goodman ended up marrying Lydia Ganz, whose sister had recently married Weissman. It seemed logical that the two men would become business partners, and so they did.

Weissman started [O.P.M. Leasing Services, Inc.] in 1970 in a small office on Church Avenue in Brooklyn, and Goodman joined him a few months later. Weissman handled the marketing end, Goodman was the inside man, in charge of finances; they each owned half of the business. The company would borrow money to purchase computers and other business equipment to corporate customers. In theory, the lease payments to O.P.M. would be large enough to allow the company to service its loans with enough left over to provide a handsome profit.

... [T]he company offered lease rates far below those of its competitors. Moreover, the company offered lessors a risky bonus. In return for granting O.P.M. a long lease of, say, seven years, customers were promised that they could cancel the contract in the event a technological breakthrough made the computers obsolete. ... The formula seemed to work magically. By the late 1970's, O.P.M. had become one of the nation's five largest computer-leasing companies, with 250 employees in 11 offices across the country, including plush headquarters on Broadway in Manhattan. It was buying multimillion-dollar computers from the likes of I.B.M. and leasing them to such corporations as American Telephone and Telegraph, Revlon and Polaroid. Prestigious banks, insurance companies and other financial institutions were glad to lend O.P.M. money, secured as it was by the obligations of the lessees to make lease payments and by the value of the computers themselves. Many of these lenders were recruited by Lehman Brothers, the company's investment banker. O.P.M. also raised cash by selling legal title to the computers to individual investors seeking tax shelters.

The two owners of O.P.M. lived well. Goodman purchased the baronial Wardwell Estate (currently valued at up to \$750,000) in Lawrence, L.I., where he lived with his wife and two daughters. He decorated lavishly, adding a disco and a small movie theater. He pledged \$10 million to Yeshiva University and became the youngest trustee in its history.

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Andrew B. Reinhard was 26 years old, an honors graduate of Harvard Law School, when he joined a small New York law firm in 1969. When the newly created O.P.M. Leasing Service, Inc. started casting about for a law firm, Myron Goodman remembered Reinhard, older brother of a boyhood friend. That was the start of the long, tumultuous relationship between the company and Singer Hutner... Goodman [later] described [Reinhard] as his closest friend aside from Weissman. ...

... Singer Hutner handled [all] the company's legal work. That included closing loans and supplying the legal opinions that lenders relied on as to O.P.M.'s title to computers and as to the legality of O.P.M. leases. The firm also handled the personal legal affairs of "Myron and Mordy," as the owners of O.P.M. were known to Singer Hutner lawyers. As the computer-leasing company grew, so did Singer Hutner.

By 1980, it employed 29 lawyers, with offices in New York and New Orleans; in that year, it collected more than \$3.2 million in fees and expenses from O.P.M. - about 60 percent of its total income. Reinhard was the third O.P.M. director [on the O.P.M. corporate board of directors], along with Weissman and Goodman, and several other Singer Hutner lawyers were company officers.

The relationship between Singer Hutner and O.P.M. took a dramatic turn on June 12, 1980 when ... the law firm received an extraordinary visit from Myron Goodman. The O.P.M. executive indicated that he was troubled, that he might have done something wrong in his stewardship of the company -- something he could not set right because it involved millions of dollars more than he could raise. ...

**Supplemental Information:** For purposes of class exercises and discussion, it is important to remember that O.P.M. Leasing Services, Inc. ("OPM" for short) is neither a partnership (Goodman and Weissman doing business together) nor a publicly-traded corporation, with stock sold on the stock exchange. Rather OPM is a corporation where all the stock is owned by two people only: Goodman and Weissman. Although the article above does not provide the following specifics, assume that Weissman is Chair of the Board of Directors and Goodman is Chief Executive Officer (CEO) and Treasurer to the Board. The only other member of the Board of Directors is Reinhard, who is Secretary to the Board. The Chief Fiscal Officer (CFO) is John Clifton, who is not a member of the Board of Directors, and serves at the pleasure of the CEO, as do all the other officers and employees of OPM.

1. Excerpts do not necessarily appear in the same order as in the original article. Brackets [ ] indicate added explanatory material.

## LAWYER INSTRUCTIONS

You will have 15 minutes for the simulated meeting with Goodman. You will play the role of Andrew Reinhard. ("Ann Reinhard" if you are a woman.) Explain to Goodman (who has arrived without an appointment) that you must leave for a court date in 15 minutes. Use the 15 minutes as you think best, but be as realistic as possible and stay in role at all times. Assume that all the Model Rules we have read so far apply in your jurisdiction.

### CONFIDENTIAL INSTRUCTIONS FOR ROLE OF LAWYER (REINHARD)

When Goodman arrives in your office unannounced, you have just finished reading the following memo you received in that day's mail from John A. Clifton, O.P.M.'s chief in-house accountant.<sup>(1)</sup> Having known Goodman (whom you call "Myron," or "Max" if the role is played by a woman) almost all your life, you can hardly believe that he (or she) could have been engaged in the kind of wrongdoing that Clifton's memo suggests. Remember that Goodman is not only your friend but the person who has made your career (and a lot of money for you and your firm).

#### MEMORANDUM -- CONFIDENTIAL

TO: Andrew B. Reinhard, Singer, Hutner, Levine & Seemen  
FR: John A. Clifton CPA, Chief Fiscal Officer, OPM Leasing Services, Inc.  
DATE: June 12, 1980  
RE: Problems with O.P.M. Leases

I have discovered in an accounting audit evidence strongly suggesting that at least the following two Rockwell leases and accompanying equipment security agreements are fraudulent:

**1) Rockwell computer lease dated July 1, 1977. I discovered two different copies of this lease: (a) Copy A in which Rockwell agreed to pay \$6,000/month for 36 months; (b) Copy B, which is the document submitted to Singer Hutner as loan documentation, stating \$66,000/month for 86 months. It appears that Copy B is an alteration of Copy A in which the second "6" in the monthly payment box has been added and the "3" changed to an "8" in the number of months box. Obviously OPM borrowed a much larger amount of money against Copy B than Copy A could support. It appears that lease payments to OPM from Rockwell have been only \$6,000/month. The difference in the monthly bank payment has been made up out of general OPM funds on Goodman's authorization. Unfortunately what appears to be the true lease term will be up July 1 increasing greatly the chance that the alteration will be discovered by the bank or Rockwell.**

**2) Rockwell computer leases dated February 1, 1978 and dated October 15, 1978. Each lease was for equipment valued at \$2,500,000. The two leases and accompanying paperwork sent to Singer Hutner indicated that these were different computers and different transactions, but the equipment serial number was the same on both leases. It appears that OPM obtained two bank loans on the same piece of equipment.**

I fear that many other leases are fraudulent also, but do not have any direct evidence. I have long been suspicious about how OPM could manage to remain profitable when many OPM customers exercised their option to cancel their leases in 1977 when IBM announced a major upgrade in the equipment that OPM was leasing to them. It seemed very strange that Rockwell International, a very sophisticated user, not only did not cancel any of its leases but instead greatly expanded its leasing of what was increasingly outdated equipment. But for the Rockwell leases, OPM would not have remained solvent in 1977. As you know, starting in 1977 Goodman insisted that Singer Hutner send Rockwell's copies of the financing documents to O.P.M. for forwarding instead of directly to Rockwell and forbid your firm to contact Rockwell directly without his consent. O.P.M. has handled the "insurance work" on the equipment and made direct loan payments on many of the Rockwell lease loans even though the lease agreements say Rockwell shall make rental payments to the banks.

Yesterday I spoke privately with Mr. Goodman about my concerns. He was evasive and hostile, and would only say that there were some major cash-flow problems which had forced him to take "unconventional" steps to secure continued bank financing. I told him that I had talked to my lawyer, William J. Davis, of Scholman Berlin & Davis, who had suggested that I refer the matter to your firm, which I am doing by this letter. On advice of my lawyer, unless or until I am subpoenaed by a grand jury or otherwise compelled by court order to testify, I will not divulge this information to anyone other than by this communication to you.

1. In the actual case, Clifton did send a memo to Reinhard; however whether Reinhard actually received and read it was a disputed fact. Reinhard later claimed that Goodman snatched it from him before he had a chance to read it. The contents of Clifton's actual memo were never revealed. This memo is a plausible recreation based on the facts of the case but should NOT be treated as accurate about the real OPM case nor should any statements in this memo be attributed to individuals involved in the actual O.P.M. case.

## THE O.P.M. CASE: CONFIDENTIAL INSTRUCTIONS FOR ROLE OF GOODMAN

If you are a woman, then your name is not Myron but Maxine ("Max") Goodman. If Reinhard is played by a woman, her name is not Andrew but Ann Reinhard. Remember that you have known Reinhard all your life and are on a first name basis. You are also the person who has made Reinhard's career by bringing OPM to the law firm. Reinhard will explain to you that he or she must leave for a court date in 15 minutes. Use the 15 minutes as you think best consistent with your confidential instructions on the opposite side, but be as realistic as possible and stay in role at all times.

### **Additional Facts<sup>1</sup>**

When I.B.M. announced in 1977 a forthcoming new line of computers that would revolutionize the business, O.P.M. customers soon started lining up to cancel their leases. To avoid bankruptcy, Goodman resorted to fraud, relying on leases supposedly entered into by Rockwell International, the huge California aerospace company. He used forged signatures, documents falsified to overstate the value of leases and computers, and loans obtained upon equipment that did not exist.

Goodman has showed up unannounced to meet with Reinhard because John A. Clifton, O.P.M.'s chief in-house accountant, has told Goodman he was preparing to send a letter to Reinhard. Although Clifton refused to tell Goodman what was in the letter, Goodman suspects from pointed questions posed to him by Clifton that the accountant has discovered in the course of a routine audit one or both of the following pieces of evidence of the Rockwell lease fraud.

**1) Rockwell computer lease dated July 1, 1977. Two copies of this lease existed: (a) the original lease signed by Rockwell in which Rockwell agreed to pay \$6,000/month for 36 months; (b) a version altered by Goodman and submitted to Singer Hutner as loan documentation stating \$66,000/month for 86 months. (Goodman inserted the second "6" in the monthly payment box and changed the "3" to an "8" in the number of months box.) Obviously OPM was able to borrow a much larger amount of money against the altered lease. Lease payments to OPM were converted to loan payments to the bank. Rockwell only paid \$6,000/month and Goodman made up the difference in the monthly bank payment out of general OPM funds. Unfortunately for Goodman, the true lease term will be up July 1 increasing greatly the chance that the fraud will be discovered.**

**2) Rockwell computer leases dated February 1, 1978 and dated October 15, 1978. Each lease was for equipment valued at \$2,500,000. The two leases and accompanying paperwork sent to Singer Hutner indicated that these were different computers and different transactions, but the equipment serial number was the same on both leases. In fact the October 15, 1978 lease was a forgery, used to obtain two bank loans on the same piece of equipment.**

There are many similar alterations and forgeries which Clifton probably has not discovered.

Goodman wants to discuss the following issues while disclosing as little information as possible to Reinhard (who knows nothing about Goodman's fraudulent practices): (1) Has Reinhard received the letter? (2) What does the letter say? If Reinhard has read the letter and it is as bad as Goodman fears, he plans to say that Clifton has stumbled across embarrassing evidence of temporary cash-flow problems and has misinterpreted simple mistakes for deliberate fraud. He then wants to talk about how Clifton can be made to shut up: Threat of a libel suit? A generous severance package with a non-disclosure clause? If absolutely necessary to retain Reinhard's friendship and representation, Goodman will tell at least some of the truth, but only if he first is assured that Reinhard will not disclose the information to anyone else. In particular, Goodman will insist that Weissman, who owns 50% of the stock and is the third member of the corporate board of directors (in addition to Goodman and Reinhard), be told nothing.

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<sup>1</sup> The facts as stated in this memo have been modified for purposes of this educational interview exercise, although drawn from the actual case. Thus any reader should not rely upon these facts as being accurate about the real OPM case nor should they be attributed to individuals involved in the actual O.P.M. case.

## **The O.P.M. CASE (continued)**

S. Taylor, "Ethics and the Law: A Case History," New York Times Magazine, January 9, 1983 (excerpts)

... O.P.M. was short for "other people's money." Almost from the start, the company was basically insolvent and survived by means of fraud and bribery. A single computer would be used as collateral for two or three loans with different banks; the value of a given piece of equipment would be inflated to obtain larger loans. ... Between 1977 and 1981, O.P.M. obtained from 19 banks, pension funds and other lenders more than \$196 million in loans secured by phony Rockwell leases. ...

... Goodman was worried that Clifton might go to the authorities. He said he promised Clifton \$50,000 to \$100,000 in severance pay that, Goodman testified, was "meant to induce him to keep his mouth shut." Goodman also urged Hutner to talk with Clifton's attorney, William J. Davis of Schulman Berlin & Davis.

In his description of their meetings, Davis said that Hutner seemed to be trying to persuade him that Clifton should keep silent and should take back his letter. Davis said the conversations were "a kind of macabre dance around the issue," so elliptical and hypothetical that "nothing was fact, everything was possible." He said Hutner seemed to know more than he let on, but seemed anxious to preserve a "smoke screen" of deniability. Davis recalled: "I had visions of him clamping his hands over his ears and running out of the office.

Davis also said he had been prepared to give Hutner a copy of Clifton's letter and would have told him "as much as he wanted to know," but that Hutner told him "he didn't want to know what was in it."

Hutner gave a very different account of these meetings. He insisted he did not seek to have Clifton withdraw the letter, nor did he shrink from hearing about Clifton's evidence.

Yet Davis did give Hutner and Eli R. Mattioli, a younger Singer Hutner lawyer who attended one of the meetings, some crucial information. According to a memorandum prepared by Singer Hutner at the time, Davis said Clifton had evidence that O.P.M. had perpetrated a multimillion-dollar fraud and that the opinion letters Singer Hutner had drawn up to obtain loans for O.P.M. had been based upon false documents. And Davis also passed along, Mattioli recalled, an ominous opinion from Clifton -- that O.P.M., "in order to survive, would probably have to continue the same type of wrongful activity."

Thus it was that in the middle of June 1980 Singer Hutner received what was tantamount to a stark warning that the law firm was deeply involved in a huge, ongoing fraud. Today, Davis recalls that he felt at the time that a turning point for Singer Hutner had arrived. "Once you come into that kind of knowledge," he says, "a whole new set of rules drops on you." Certain that Singer Hutner would have to resign and that O.P.M.'s fraud would soon be exposed, Davis says he "just sat there waiting for the shoes to drop."

It was a long wait.

The seriousness of the situation was not lost on Singer Hutner, which decided it needed some outside legal advice of its own. On June 18, the firm made an appointment with Joseph M. McLaughlin, who was dean of Fordham Law School at the time and is now a Federal District Court judge in New York. McLaughlin, one of Mattioli's professors at Fordham, was a leading authority on the attorney-client privilege, under which lawyers are generally prohibited from revealing secrets confided to them by their clients.

According to McLaughlin's deposition, Hutner, Mattioli and Carl J. Rubino, another Singer Hutner lawyer, arrived at his office on June 19 "in a distressed state." He said Hutner made it clear "that he

wanted to act in a way that would preserve the attorney-client confidence."

But it soon became clear to McLaughlin that, given the apparent scope of the fraud and the law firm's close relationship with O.P.M., the central problem was one of "ethics, professional responsibility." He accepted a \$5,000 check from Hutner as a retainer and proceeded to bring into the case a legal-ethics expert, Henry Putzel III, a former Federal prosecutor who had taught the subject at Fordham and who was practicing law in New York.

The next day, at a two-and-a half hour meeting in Hutner's office, Hutner, Mattioli and Rubino gave McLaughlin and Putzel a detailed report on what they had learned from Goodman and Davis. The Singer Hutner lawyers stressed two major points, McLaughlin recalled in his deposition: they wanted to do the ethical thing, and they wanted to continue representing O.P.M. unless they were ethically and legally obliged to quit. In conversations on June 25 and over the next few days, McLaughlin and Putzel gave Hutner and other members of the law firm the advice they wanted to hear. (The advice is described in detail in documents Putzel prepared at the time and in Putzel's and McLaughlin's depositions in the bankruptcy investigation.) Singer Hutner could ethically continue to represent O.P.M., giving the benefit of the doubt to Goodman's assurances that there was no ongoing fraud. The firm could continue to close new loans for O.P.M. pending efforts to find out the details of Goodman's past wrongdoing; such information would help them guard against any continuing fraud. Singer Hutner was bound to keep everything it had already learned secret, except from Weissman.

It was not necessary, Putzel advised, for Singer Hutner to check the authenticity of the computer-lease documents with third parties such as Rockwell before closing the new loans. As to the possibly false opinion letters and documents the firm had unwittingly provided to banks to obtain loans for O.P.M., Putzel offered another welcome option: Singer Hutner had no legal duty to withdraw them. He reasoned that leaving the victims of a past fraud in the dark was not an ongoing fraud.

McLaughlin and Putzel did recommend some steps aimed at stopping any efforts to commit new fraud. They said, for example, that O.P.M. should be required to certify in writing the legitimacy of each new transaction. Goodman was unfazed; he simply signed certifications he knew to be false. And he found ways to put off giving the law firm the kind of detailed description of his crimes that would have made the attorneys better able to judge the dangers of their position.

While McLaughlin and Putzel advised the law firm to press Goodman to confess to them and to his partner Weissman the details of his wrongdoing, they did not initially suggest that he be pressed too hard. One reason, as Putzel explained in a deposition, was his concern that the law firm's obligations to O.P.M. might be inconsistent with giving Goodman's secrets the fullest protection. Thus, a lawyer was found to represent Goodman's personal best interests, while Singer Hutner theoretically concentrated on representing the best interests of the corporation -- this though the corporation was virtually Goodman's personal fiefdom.

Goodman's new lawyer was Andrew M. Lawler, an old law-school friend of McLaughlin and, like Putzel, a former Federal prosecutor. In their depositions, McLaughlin and Putzel testified that they had placed great confidence in Lawler, and that Lawler had told Putzel that he knew of no ongoing fraud. This should, perhaps, not have been much of a surprise. Lawler's information came from Goodman, and according to Goodman's testimony, Hutner had given the executive a brief lesson in the attorney-client privilege, telling him that his disclosures to Lawler would be protected only so long as they did not indicate any ongoing fraud.

Meanwhile, as Goodman continued to stall, Lawler and Singer Hutner were dickering over the best way for Goodman to come clean about his past crimes. The object: to get at the truth but to do it in a way that would wrap it in the legal code of silence that is the attorney-client privilege.

All through this summer of nondisclosure, Singer Hutner continued closing loans for O.P.M. without checking the legitimacy of underlying Rockwell leases. Some were legitimate, but leases securing loans of \$22 million in June, \$17 million in July and \$22 million in August proved to be fraudulent.

In the first week of September, Goodman finally told Hutner some of the details of the fraud he had first hinted at in June, and Hutner explained it all to Putzel over lunch at the Yale Club in New York. In his deposition, Hutner recalled the meeting. "I wanted to get the hell out" of the connection with O.P.M., he said, "I was just disgusted, and I wanted (Putzel's) acquiescence." The two men tentatively agreed that the law firm should quit as O.P.M.'s counsel -- though Putzel advised that the firm was not ethically obliged to do so because, he still assumed, the fraud had ended before June.

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Over a period of two weeks, the members of the law firm discussed the question of quitting O.P.M. in a series of heated and emotional meetings. Meanwhile, Singer Hutner closed two more loans that proved to be fraudulent. For the first time, the law firm tried to check with Rockwell the legitimacy of the leases by mailing a verification form to a Rockwell executive in California. Goodman later recalled that when he heard the form was on its way, "I just went totally bananas." Goodman's O.P.M. henchmen intercepted the document at Rockwell and forged the executive's signature.

Singer Hutner voted formally to resign as O.P.M.'s general counsel on September 23 in a daylong series of meetings punctuated by expressions of concern about the effect of a possible O.P.M. bankruptcy on the law firm's fees. ...

Singer Hutner quit O.P.M. gradually, completing the process in December 1980. The lawyers assumed that an abrupt withdrawal would cause O.P.M. to collapse; they would handle legal business until Goodman, who had vowed that he would eventually pay back the victims of the fraud, could find new counsel. Singer Hutner's decision was in accord with Putzel's advice that the law firm could not drop its client "like a sack of potatoes." The withdrawal, he said, "had to be accomplished in a manner least likely to cause injury to the client." Still, Singer Hutner had cause to worry about its own potential liability during the withdrawal period, and the firm took steps to prevent new fraud. Its lawyers refused to proceed with new loans unless Goodman authorized them to check out the collateral with third parties such as Rockwell. They also demanded that O.P.M. cease new "tax-shelter" financing entirely, because they would almost certainly involve violations of the Federal securities laws.

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Once the decision to quit O.P.M. was made, Singer Hutner had to determine what to do with its knowledge that it had been part of a giant fraud. On Putzel's advice, the law firm kept the facts to itself, telling nothing to the corporations and bankers who had been defrauded. Based on Goodman's increasingly implausible assurances that the days of fraud were over, Putzel said that the executive's secrets were still protected by the attorney-client privilege. Singer Hutner accepted that view, even after Goodman acknowledged on September 29 and 30 that the outstanding fraudulent loans totaled \$80 million to \$90 million, about three times the amount he had confessed earlier in the month. And the law firm held fast even after receiving the worst news of all, that Goodman had been using Singer Hutner to close fraudulent loans from June through September.

The law firm responded to inquiries from lenders and other interested parties by saying that Singer Hutner and O.P.M. had "agreed" to part ways. ("Was that not a lie?" Hutner was asked, during the taking of his deposition. "It was inaccurate," he replied at first, later amending that to "more accurate than not, if not totally accurate.")

This stance played right into the hands of Goodman. He was able to continue obtaining fraudulent loans while spreading the suggestion that he had dismissed Singer Hutner and assuring business

contacts that there was nothing wrong with the loans.

The close-mouthed stance was also called for by Putzel as the appropriate way of dealing with the lawyers who would fill Singer Hutner's shoes -- in spite of the considerable risk that Goodman would simply lie to the new attorneys. Thus he advised Singer Hutner that it must honor Goodman's demand that Gary R. Simon, the O.P.M. in-house lawyer who was preparing to handle new loan closings, be kept in the dark.

Fearing that Goodman would use Simon, who was inexperienced in closing loans, to commit new frauds, Singer Hutner in October prepared for Simon a memorandum specifying "due diligence" verification procedures that should be used in all O.P.M. financing. But before the memorandum was delivered, it was shown to Goodman for editing; the final memo had nothing in it to make Simon suspect something was wrong with the Rockwell leases.

It soon became apparent that Simon was unlikely to discover the fraud. At one point, he told Mattioli that "if something is wrong with those deals, then I want to know it today." Mattioli did not respond.

A similar series of events was played out with Kaye, Scholer, Fierman, Hays & Handler, one of New York's largest law firms, which Goodman invited to step into Singer Hutner's place and close new loans for O.P.M. Hutner wanted to warn Peter M. Fishbein, a Kaye Scholer partner and an old friend, to stay away from O.P.M. In his deposition, Hutner quoted Putzel's response to the notion: "Oh my god, that is exactly what you can't do."

Fishbein phoned Hutner in October 1980 asking "if there was anything he should be aware of" in considering Goodman's invitation. Hutner told him only that "the decision to terminate was mutual and that there was mutual agreement that the circumstances of termination would not be discussed." Two years later, Hutner testified that "this specific thing caused me more personal pain than anything I can recall during the course of the entire O.P.M. thing, including learning that Myron was a thief."

The end result of Singer Hutner's close-mouthed policy: Goodman was able to use the unwitting Gary Simon and Kaye Scholer to close more than \$15 million in loans for O.P.M. in December 1980 and early 1981 that were secured by fraudulent Rockwell leases.

## END OF EXCERPTS FROM NY TIMES ARTICLE

### EPILOGUE

**Finally toward the end of 1980 lawyers at Rockwell International discovered, in response to a bank inquiry, that Rockwell was paying OPM on two leases for which Rockwell lacked documentation. After further investigation, Rockwell and the bank contacted the U.S. Attorney's office in New York. On February 19, 1981 a federal grand jury issued a number of indictments and the following month OPM filed bankruptcy. In December 1982 Goodman pled guilty to 16 counts of conspiracy, mail fraud, wire fraud and making false statements to a bank. He was given a 12 year prison sentence. Weissman also pled guilty and received a 10 year sentence. Although federal prosecutors investigated Reinhard, neither he nor any of the other Singer Hutner lawyers were indicted.**

**OPM had defrauded banks and other lenders of more than \$210 million before the company went bankrupt in 1981. Nineteen of the lending institutions filed civil suits against Singer Hutner, Rockwell, Lehman Brothers and two accounting firms. The suits were settled in 1983 for a total payment of \$65 million; Singer Hutner contributed approximately \$10 million.**