



*United States Attorney  
Southern District of New York*

**FOR IMMEDIATE RELEASE**

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**CONTACT: U.S. ATTORNEY'S OFFICE**

**YUSILL SCRIBNER,  
REBEKAH CARMICHAEL,  
JANICE OH  
PUBLIC INFORMATION OFFICE  
(212) 637-2600**

**ARKANSAS LAWYER PLEADS GUILTY TO STEALING  
OVER \$9 MILLION IN CLIENT FUNDS**

LEV L. DASSIN, Acting United States Attorney for the Southern District of New York, announced that STEVEN EUGENE CAULEY, 41, an attorney based in Little Rock, Arkansas, pleaded guilty today in Manhattan federal court to charges stemming from his theft of \$9.3 million from an escrow fund. The escrow fund contained the proceeds of a settlement of a class action that had been brought in the United States District Court for the Southern District of New York. CAULEY entered his plea of guilty before United States District Court Judge PAUL A. CROTTY.

According to the two-count Information filed today, and statements made during CAULEY's plea and other court proceedings:

On May 19, 2004, a class action, In re BISYS Securities Litigation, 04 Cv. 3840 (JSR), was filed in the United States District Court for the Southern District of New York and assigned to United States District Judge JED S. RAKOFF. On August 27, 2004, the Little Rock, Arkansas, law firm of Cauley Bowman Carney & Williams LLC was appointed co-lead counsel for plaintiffs in the case. CAULEY, a named partner at the firm, participated in negotiating a \$65.8 million settlement of the action. The settlement funds were wired into an escrow account that CAULEY controlled. Thereafter, CAULEY misappropriated millions of dollars from the escrow account, using the proceeds to finance, among other things, businesses in which he had an interest.

The scheme unraveled when AB Data, the settlement administrator on the BISYS case, requested that CAULEY transmit the funds in the escrow account to AB Data for distribution to the class action members. Between December 19, 2008, and February 19, 2009, CAULEY wired approximately \$36.7 million in total to AB Data, leaving approximately \$9.3 million missing. On April 3, 2009, a former partner at Cauley's law firm asked CAULEY to explain his failure to transfer the remaining funds. CAULEY responded that he had invested the missing money in United States

Treasury bonds that were due to mature shortly, and that he would wire the \$9.3 million on April 8, 2009. But CAULEY, who had not purchased any such bonds, failed to wire the money as promised. The law firm partner reported the matter to Judge RAKOFF, who referred it to the United States Attorney's Office.

CAULEY pleaded guilty to one count of wire fraud and one count of criminal contempt, and is scheduled to be sentenced by Judge CROTTY on September 10, 2009 at 3:00 p.m. He faces a maximum prison sentence of ten years on the wire fraud charge; the sentence on the criminal contempt charge is at the discretion of the court. In addition, CAULEY must make restitution in the amount of \$9.3 million and has agreed to pay any expenses arising out of the distribution of any restitution.

In an order dated May 28, 2009, the Arkansas Supreme Court also accepted CAULEY's voluntary surrender of his law license.

Mr. DASSIN praised the investigative work of the Criminal Investigators of the United States Attorney's Office for their investigation of this case.

Assistant United States Attorney WILLIAM STELLMACH is in charge of the prosecution.

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