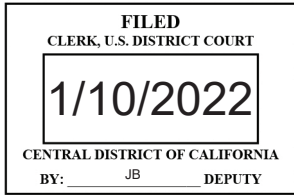


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UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,  
  
Plaintiff,  
  
v.  
  
THOMAS H. PETERS,  
  
Defendant.

CR No. 2:22-cr-00009-PA

I N F O R M A T I O N

[18 U.S.C. § 1951(a): Interference with Commerce by Extortion; 18 U.S.C. § 2(a): Aiding and Abetting]

The United States Attorney charges:

INTRODUCTORY ALLEGATIONS

At times relevant to this Information:

A. RELEVANT PERSONS AND ENTITIES

1. The Los Angeles Department of Water and Power ("LADWP") was the largest municipal utility in the United States, and provided water and electricity services to approximately 4 million residents in and around the City of Los Angeles (the "City"). LADWP was governed by a five-member Board of Commissioners (the "LADWP Board").

2. The Los Angeles City Attorney's Office ("City Attorney's Office") wrote every municipal law for the City, advised the Mayor, the City Council, and all City departments and commissions, defended

1 the City in litigation, brought forth lawsuits on behalf of the  
2 people of the City, and prosecuted misdemeanor crimes.

3 3. From on or about February 18, 2014, until on or about March  
4 25, 2019, defendant THOMAS H. PETERS was the Chief of the Civil  
5 Litigation Branch of the City Attorney's Office.

6 4. Relevant attorneys and personnel in private practice  
7 included the following:

8 a. Paul O. Paradis was an attorney licensed in New York.

9 b. Paradis Law Partner was an attorney licensed in New  
10 York and the law partner of Paradis.

11 c. Paul Kiesel ("Kiesel") was an attorney licensed in  
12 California. Kiesel owned and operated a law firm (the "Kiesel Law  
13 Firm") based in California that served clients both within and  
14 outside the State.

15 d. From approximately 2005 until on or about July 7,  
16 2017, Person A was employed by the Kiesel Law Firm.

17 e. Ohio Attorney was an attorney licensed in Ohio.

18 B. THE EXTORTION SCHEME

19 **1. The LADWP Billing Debacle**

20 5. In 2013, LADWP implemented a new billing system, which it  
21 had procured from an outside vendor, PricewaterhouseCoopers ("PwC").  
22 After LADWP implemented the new billing system, hundreds of thousands  
23 of LADWP customers ("ratepayers") received inaccurate utility bills,  
24 which ranged from massively inflated bills to those that undercharged  
25 ratepayers to the financial detriment of LADWP.

26 6. By in or around December 2014, the City and LADWP were  
27 facing multiple class action lawsuits (collectively, the "class  
28

1 action lawsuits") by ratepayers alleging various claims based on  
2 LADWP's faulty billing system.

3 7. The City Attorney's Office represented the City and LADWP  
4 in those class action lawsuits. The City Attorney's Office was also  
5 aided by attorneys from an outside law firm ("Class Action Counsel").

6 8. On or about December 16, 2014, members of the City  
7 Attorney's Office retained Paradis and Kiesel as Special Counsel to  
8 represent the City in a contemplated lawsuit against PwC.

9 9. Under the terms of the Special Counsel contract, Paradis  
10 and Kiesel would act as agents for the City and were to render their  
11 services on a contingency-fee basis, meaning that they would not be  
12 paid until and unless the City prevailed in its lawsuit against PwC,  
13 at which time they would jointly receive approximately 19.9% of  
14 damages awarded to the City. The terms of the Special Counsel  
15 contract specified that Paradis and Kiesel would bear all costs for  
16 the City's lawsuit against PwC, to be reimbursed only upon a  
17 successful result in the lawsuit.

18 10. The City's complaint alleged that PwC had caused hundreds  
19 of millions of dollars in damage. Paradis's and Kiesel's 19.9% share  
20 of such a recovery would have totaled tens of millions of dollars.

21 11. At the time that Paradis began representing the City as  
22 Special Counsel in or around December 2014, he also represented an  
23 LADWP ratepayer, Antwon Jones, who had a claim arising from LADWP  
24 billing overcharges. By in or around January 2015, members of the  
25 City Attorney's Office were aware that Paradis was simultaneously  
26 representing both the City and Jones.

27 12. In or around January and February of 2015, members of the  
28 City Attorney's Office pursued a strategy whereby Paradis and Kiesel

1 would represent both the City and Jones in parallel lawsuits against  
2 PwC (the "parallel litigation strategy"). The parallel litigation  
3 strategy also entailed convincing counsel for the plaintiffs in the  
4 existing class action lawsuits against the City to dismiss their  
5 claims and instead join the City in coordinated litigation against  
6 PwC.

7 13. By on or about February 23, 2015, the City Attorney's  
8 Office decided not to pursue the parallel litigation strategy.

9 **2. The City's Affirmative Lawsuit Against PwC**

10 14. On March 6, 2015, the City filed a civil lawsuit against  
11 PwC ("*City v. PwC*"), which generally alleged that PwC was responsible  
12 for LADWP's billing debacle. Paradis and Kiesel represented the City  
13 in that action for approximately four years, until on or about March  
14 6, 2019.

15 15. Because Paradis and Kiesel were operating as agents for the  
16 City as Special Counsel, the City Attorney's Office had a legal and  
17 ethical responsibility to supervise the Special Counsel and to  
18 maintain ultimate control over the litigation of *City v. PwC*.  
19 Accordingly, the Special Counsel contract provided that the City  
20 Attorney's Office would "retain final authority over all material  
21 aspects" of dispute resolution and litigation. Defendant PETERS was  
22 responsible for supervising the *City v. PwC* matter from shortly after  
23 its filing until his resignation on or about March 25, 2019.

24 **3. The Collusive Class Action Lawsuit**

25 16. On April 1, 2015, Ohio Attorney filed the *Jones v. City*  
26 complaint, which Paradis had drafted.

27 17. During the spring of 2015, defendant PETERS was informed by  
28 a City Attorney's Office official senior to defendant PETERS ("*City*

1 Attorney Official") that the *Jones v. City* complaint was a friendly  
2 lawsuit intended as a vehicle for the City to settle globally and at  
3 minimal cost all claims related to the LADWP billing debacle, that  
4 Paradis had referred the case to Ohio Attorney for that purpose, and  
5 that City Attorney Official had directed and authorized this strategy  
6 before the complaint was filed.

7 18. On or about April 8, 2015, members of the City Attorney's  
8 Office met with Ohio Attorney to discuss settlement terms that would  
9 enable *Jones v. City* to be used as the vehicle to globally settle all  
10 of the LADWP billing claims against the City.

11 19. Between on or about June 11, 2015, and on or about July 31,  
12 2015, Paradis and others on behalf of the City participated in four  
13 confidential mediation sessions with Ohio Attorney. Defendant PETERS  
14 attended at least a portion of one session. The other class action  
15 plaintiffs were excluded from these sessions. At the close of the  
16 final session, the mediator issued a proposal that would cap  
17 plaintiff attorneys' fees at \$13,000,000.

18 20. On August 1, 2015, the City's Class Action Counsel sent an  
19 email to members of the City Attorney's Office detailing Class Action  
20 Counsel's many reasons for believing that the \$13,000,000 attorney  
21 fee proposal was unjustifiably high. The enumerated reasons included  
22 that Ohio Attorney had done "little demonstrative work to advance the  
23 interests of the class."

24 21. Notwithstanding the numerous concerns that were raised by  
25 the City and disputed by no one, on or about August 20, 2015 — less  
26 than three weeks later — the City and Ohio Attorney filed a  
27 stipulated agreement that would provisionally resolve all claims  
28

1 against the City related to the LADWP billing debacle and accept the  
2 \$13,000,000 cap on plaintiff attorneys' fees.

3 22. On or about October 31, 2016, Paradis and others on behalf  
4 of the City attended another mediation session with Ohio Attorney.  
5 The parties agreed to revise the August 20, 2015 stipulated  
6 agreement, including by raising the cap on plaintiff attorneys' fees  
7 to approximately \$19,000,000.

8 23. On or about July 20, 2017, the Los Angeles County Superior  
9 Court judge overseeing the class actions issued a final approval of  
10 an approximately \$67,000,000 settlement agreement in *Jones v. City*.  
11 The settlement agreement also provided for approximately \$19,000,000  
12 in plaintiff attorneys' fees, approximately \$10,300,000 of which was  
13 awarded to Ohio Attorney and his law firm.

14 **4. Defendant PETERS Learns of Person A's Extortionate Demands**

15 24. On November 16, 2017, defendant PETERS learned from Paradis  
16 that Person A, a former employee of Kiesel, had stolen or improperly  
17 retained from Kiesel's law firm certain documents that would show the  
18 City's undisclosed collusion with Ohio Attorney in the *Jones v. City*  
19 lawsuit (the "Sensitive Documents"). Paradis informed defendant  
20 PETERS that Person A had threatened to reveal the Sensitive Documents  
21 if Kiesel did not pay her to return the Sensitive Documents. In  
22 addition, Paradis told defendant PETERS that Person A had alleged  
23 various employment-related claims against Kiesel, and that Person A  
24 had tied those claims to her threatened release of the documents.  
25 Defendant PETERS, who knew Person A from when he had previously  
26 worked at Kiesel's law firm, understood that Person A had demanded  
27 over a million dollars from Kiesel. Paradis specifically informed  
28 defendant PETERS that Person A had threatened to appear at the next

1 hearing in the *City v. PwC* case, which was scheduled for December 4,  
2 2017. Defendant PETERS knew that at this hearing, the court was set  
3 to hear arguments on PwC's motion to compel the *Jones v. PwC* draft  
4 complaint, and he knew that this document would lead PwC to discover  
5 the undisclosed collusive origins of the *Jones v. City* case.

6 **5. Defendant PETERS Orders Kiesel to Pay the Monetary Demands**  
7 **If Necessary or Potentially Be Fired as the City's Special**  
8 **Counsel**

9 25. On November 17, 2017, defendant PETERS met with Kiesel,  
10 Paradis, and Paradis Law Partner and discussed Person A's threats and  
11 monetary demands. Kiesel complained that Person A's threats and  
12 demands constituted extortion and expressed reluctance to pay them.  
13 Defendant PETERS directed Kiesel to resolve the situation, including,  
14 if necessary, by paying Person A's demands, or else defendant PETERS  
15 would advocate for Kiesel and Paradis to be fired as the City's  
16 Special Counsel. Defendant PETERS did not have direct authority to  
17 fire Special Counsel.

18 26. If the City prevailed in its lawsuit against PwC and  
19 obtained the monetary damages it claimed, Kiesel and Paradis stood to  
20 recover tens of millions of dollars in attorney fees. By the time of  
21 the November 17, 2017 meeting, Kiesel and his law firm had invested  
22 thousands of hours of uncompensated labor into *City v. PwC*.  
23 Additionally, Kiesel had borne over \$30,000 in non-labor costs on  
24 behalf of the City for *City v. PwC*.

25 27. Late in the afternoon on Friday, December 1, 2017,  
26 defendant PETERS met with other senior members of the City Attorney's  
27 Office and provided an update on the status of the Person A  
28 situation, including the fact that Kiesel had unsuccessfully

1 attempted to negotiate with Person A at LADWP headquarters, and  
2 Person A's threat to appear at the *City v. PwC* hearing the following  
3 Monday and reveal the Sensitive Documents. Defendant PETERS stated  
4 that he did not know exactly what Person A was planning to do, but  
5 that he thought she might either give the Sensitive Documents to the  
6 court or to PwC's lead counsel, and that she might have arranged for  
7 press coverage. Defendant PETERS conveyed that Kiesel had described  
8 Person A's threats as "extortion." Because he understood from senior  
9 leadership at the City Attorney's Office that they wanted the matter  
10 resolved quietly and the Sensitive Documents returned, defendant  
11 PETERS advised that he would take care of the situation and that he  
12 would personally attend the *City v. PwC* hearing the following Monday.

13 28. On December 1, 2017, after the meeting, defendant PETERS  
14 sent a text message to Paradis relaying that senior leadership at the  
15 City Attorney's Office was "not firing anyone at this point" —  
16 meaning that no decision had been made at the meeting to seek  
17 termination of the Special Counsel contract in light of the extortion  
18 situation — but warning that senior leadership was concerned about  
19 "the prospect of a sideshow" with respect to Person A's threat to  
20 appear in court the following Monday and reveal the Sensitive  
21 Documents.

22 **6. Person A Appears in Court With the Sensitive Documents**

23 29. On the afternoon of December 4, 2017, defendant PETERS,  
24 Paradis, Kiesel, and Paradis Law Partner, among others, attended the  
25 scheduled hearing in *City v. PwC*. At Kiesel's request, his friend  
26 ("Kiesel's Friend"), who was friendly with Person A, also attended  
27 the hearing to intervene with Person A if necessary.

28



1           30. Person A appeared at the December 4, 2017 hearing and  
2 attempted to give documents to a court employee, who advised Person A  
3 that the court would not accept documents from a non-party. Person A  
4 approached the lead counsel for PwC with the documents, stating that  
5 she had information that could help PwC's case. PwC's counsel  
6 exchanged business cards with Person A and asked her to call him.  
7 Defendant PETERS and Kiesel understood that by these actions, Person  
8 A was conveying to Kiesel and others acting on behalf of the City  
9 that she would fulfill her threat to reveal the Sensitive Documents  
10 showing the City's collusion unless Kiesel satisfied her monetary  
11 demands.

12           **7. Facing Defendant PETERS's Threat of Termination, Kiesel**  
13           **Pays Person A's Extortionate Demands**

14           31. After Person A attempted to provide the Sensitive Documents  
15 to the court and spoke with PwC's counsel to advise that she had  
16 information that would be helpful to PwC's case, Kiesel's Friend  
17 approached Person A and asked to recommence negotiation of her  
18 monetary demands to Kiesel. Kiesel's Friend did so at the direction  
19 of Kiesel, who understood from defendant PETERS that if he did not  
20 pay Person A's extortionate demands, defendant PETERS would advocate  
21 to have Kiesel fired from his potentially lucrative role as the  
22 City's Special Counsel.

23           32. At approximately 3:06 p.m. on December 4, 2017, shortly  
24 after the hearing ended, defendant PETERS sent a series of text  
25 messages to Kiesel relaying defendant PETERS's observations that  
26 Person A had approached PwC's counsel and given him her card, and  
27 that she had "tried to file a bunch of docs."  
28

1           33. At approximately 3:40 p.m. on December 4, 2017, in another  
2 series of text messages, defendant PETERS again directed Kiesel to do  
3 what it took to get the Sensitive Documents back, stating, "I need  
4 you to take care of this." Kiesel and defendant PETERS arranged via  
5 text message to meet in defendant PETERS's office.

6           34. At approximately 4:00 p.m. on December 4, 2017, defendant  
7 PETERS, Kiesel, Paradis, and Paradis Law Partner met in defendant  
8 PETERS's office. Defendant PETERS reiterated that Kiesel needed to  
9 pay Person A's monetary demands in order to obtain the return of the  
10 Sensitive Documents, or he would be fired, which would mean  
11 significant financial losses to Kiesel and his firm.

12           35. At approximately 6:09 p.m. on December 4, 2017, Kiesel sent  
13 a text message to defendant PETERS, stating, "I am meeting [Person A]  
14 tonight at 7:30 PM. With [Kiesel's Friend]. Will get this done."

15           36. On the evening of December 4, 2017, Person A, Kiesel, and  
16 Kiesel's Friend met at a restaurant and further discussed Person A's  
17 demands. At the dinner, Kiesel agreed to pay \$800,000 to Person A to  
18 prevent her from releasing the Sensitive Documents.

19           37. At approximately 9:15 p.m. on December 4, 2017, Kiesel  
20 informed defendant PETERS via text message of the terms of the  
21 agreement reached with Person A, including that Kiesel would pay  
22 Person A \$800,000 and that Person A would return the Sensitive  
23 Documents to Kiesel.

24           38. At approximately 11:43 p.m. on December 4, 2017, defendant  
25 PETERS replied to Kiesel, stating, "Good job," and directing Kiesel  
26 to ensure that there was a strong confidentiality agreement with  
27 Person A regarding the \$800,000 payment and the Sensitive Documents.

28

1           **8. Defendant PETERS Continues to Conceal Person A's Extortion**  
2           **of Kiesel in 2019**

3           39. Beginning on or about May 1, 2019, pursuant to a court  
4 order, defendant PETERS testified in a civil deposition in *City v.*  
5 *PwC* on a variety of topics, including collusion by the City in *Jones*  
6 *v. City*. By that time, defendant PETERS was no longer employed by  
7 the City Attorney's Office, and he was represented at the deposition  
8 by a personal attorney.

9           40. On or about May 6, 2019, the City Attorney's Office  
10 inquired of defendant PETERS (through respective counsel) what  
11 defendant PETERS recalled about a dispute that Kiesel had negotiated  
12 at LADWP headquarters in 2017. Defendant PETERS understood that the  
13 inquiry about this long-ago "settlement" related to Kiesel's payment  
14 of Person A's extortionate demands to conceal the City's collusion.  
15 Defendant PETERS further understood that the inquiry was intended to  
16 determine whether defendant PETERS would reveal, if asked by someone  
17 outside the City, the extortion scheme or the underlying collusion  
18 that was concealed by the extortion scheme.

19           41. In order to convey that he would continue to conceal his  
20 knowledge of Person A's extortion of Kiesel and defendant PETERS's  
21 own involvement in it, defendant PETERS falsely and misleadingly  
22 replied to the City through his personal attorney that the dispute  
23 had only involved an employment claim by Person A. Defendant PETERS  
24 intentionally omitted: (1) that Person A had threatened to reveal the  
25 Sensitive Documents exposing the undisclosed collusion unless Kiesel  
26 satisfied her demands, which Kiesel had ultimately done by paying  
27 Person A \$800,000 to obtain the return of the Sensitive Documents;  
28 (2) that defendant PETERS had directed Kiesel to satisfy Person A's

1 monetary demands or be fired from Kiesel's role as Special Counsel;  
2 and (3) that defendant PETERS had discussed the situation with and  
3 received direction from senior members of the City Attorney's Office.

4 42. These Introductory Allegations are incorporated into the  
5 sole count of this Information.

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COUNT ONE

[18 U.S.C. §§ 1951(a), 2(a)]

Between on or about November 16, 2017, and on or about December 4, 2017, in Los Angeles County, within the Central District of California, defendant THOMAS H. PETERS, aiding and abetting Person A, and knowingly and with the intent to obtain property for Person A, affected interstate commerce and the movement of articles and commodities in interstate commerce, by extortion, that is, defendant PETERS knowingly and willfully directed victim Paul Kiesel to transfer the property of victim Kiesel to Person A, with victim Kiesel's consent, induced by the wrongful use of fear, by threatening to advocate to terminate victim Kiesel as Special Counsel for the City if he did not agree to Person A's extortionate demands, thereby putting victim Kiesel in fear of economic loss and reputational harm.

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