

Bond Case Briefs

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Chicago Whistleblower Team Defeats Wall Street Banks' Motion to Dismiss Municipal Bond Fraud Suit.

Whistleblower Edelweiss LLC and its team of attorneys, led by attorney Michael Behn, scored an early victory in this False Claims Act lawsuit filed on behalf of the State of Illinois.

The whistleblower suit against multiple Wall Street banks, including JPMorgan Chase, Citibank, and Bank of America, cleared a major hurdle after an Illinois court rejected the defendants' motion to dismiss the case. The suit was filed by Edelweiss LLC under the Illinois False Claims Act, by Chicago attorney Michael Behn of Behn & Wyetzner, Chartered. (State of Illinois ex rel. Edelweiss LLC (Case No. 2017 L 000289)).

Judge Diane Shelley of the Illinois state court in Chicago stated after reviewing the arguments, that Edelweiss' whistleblower "complaint articulates in myriad detail how false claims could have been presented to the State of Illinois."

Judge Shelley's decision means the case against the banks will move forward. If successful, the State of Illinois could recover hundreds of millions of dollars in fines and damages from the defendants.

Behn described the ruling as "a major victory for Illinois tax payers and municipalities."

"We welcome Judge Shelley's decision, and intend to prove that defendants defrauded the government as alleged," added Dan Hergott, also of Behn & Wyetzner and another of Edelweiss' attorneys.

The banks will now have to answer Edelweiss' complaint, which alleges that the defendants engaged in a deliberate scheme to overcharge government entities while providing financial services relating to municipal bonds.

Behn founded the law firm Behn & Wyetzner to represent whistleblowers under the False Claims Act. Behn was formerly a federal prosecutor with the U.S. Attorney's Office in the Southern District of New York (Securities and Futures Fraud Unit) and with the Commodity Futures Trading Commission.

Behn & Wyetzner has achieved extensive recoveries for state and federal taxpayers on behalf of the firm's whistleblower clients. The firm is of counsel to Sipur PC and based out of Chicago, Illinois.

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