

Attorney pleads in money case

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Bennett faces punishment over large cash deposits

Cincinnati attorney Clyde Bennett pleaded guilty Wednesday to a federal charge of making illegal financial transactions.

Bennett, one of the region's top criminal defense lawyers, could face a sentence ranging from probation to 30 months in prison when he returns to U.S. District Court in Dayton on Dec. 20.

Bennett will remain free without posting bond until December, but he has voluntarily stopped practicing law and could face severe sanctions from the Ohio Supreme Court.

As part of a plea deal, Bennett admitted in court Wednesday that he structured financial transactions to circumvent laws that require banks to report deposits of \$10,000 or more.

Federal prosecutors said the charge involves multiple cash deposits totaling \$124,000, which Bennett made over several months in 2002 and 2003 at Fifth Third Bank branches in Cincinnati.

Prosecutors declined to say why they believe Bennett avoided reporting requirements.

Bennett, however, said the cash was from his personal savings and had been accumulated over several years from his law practice. He said he does not normally save money in banks and instead keeps large amounts of cash.

In this case, he said, he decided to shift some of that cash into a bank account. "The money is my income and it comes from my savings," Bennett said. "It's not from unlawful activity."

He said he paid taxes on the money and was not trying to conceal the transactions from the government.

But Internal Revenue Service officials said a portion of the deposits were not properly reported and Bennett would be required to file revised tax returns.

The IRS investigated the case with the U.S. Drug Enforcement Administration.

Although the DEA was involved, authorities said that does not necessarily mean Bennett's case involved drugs.

"I have never been involved in any type of drug activity whatsoever and I have never been investigated for drug activity," Bennett said.

He said he structured the deposits to "avoid the appearance of impropriety" that he thought would have arisen if he had attempted to deposit \$124,000 at once.

"This is not money laundering. This is not embezzlement. This is not tax evasion," Bennett said. "To have saved \$125,000 over a 15-year law practice is nothing. I keep my savings in cash."

Bennett, who has tried many high-profile cases over the years, said he was uncertain what impact his plea could have on his law practice.

The Ohio Supreme Court, which oversees attorney discipline in the state, ultimately would decide whether action should be taken against him.

The court could reprimand him, suspend him temporarily or suspend him permanently.

"Any lawyer who has committed a felony has automatically violated the rules," said Jon Marshall, secretary of the court's Board of Commissioners on Grievances and Discipline. "It's among the more serious (offenses)."

He said an interim suspension of Bennett's law license is likely because of the felony conviction. That suspension would

remain in place for a year or more until the court decides what additional discipline, if any, should be imposed.

Bennett resigned this month as a partner at Dinsmore & Shohl, one of Cincinnati's largest and most prestigious law firms.

The firm's co-managing partner, Cliff Roe, said the firm has been aware of the federal investigation since June and has cooperated with authorities.

"To our knowledge this matter doesn't involve the firm in any way," Roe said. "It looks like it's a purely personal matter." He said the firm has uncovered no evidence of impropriety involving Bennett and has received no complaints from clients about improper activity.

Some colleagues described Bennett as a talented attorney who has a reputation for working alone.

"I think he liked that persona. It was him and his client against the world," said Bill Gallagher, a Cincinnati defense attorney.

Hal Arenstein, a lawyer and friend, said Bennett has a strong work ethic and will be determined to return to practicing law.

"He's a very talented lawyer who, for whatever reason, made some mistakes," Arenstein said. "I'm sure he'll try to make it right."

Bennett's big cases

Bennett's legal work has included several major cases, ranging from regional mining companies charged with violating federal law to local men and women accused of murder.

Some examples:

He successfully argued in 1997 that a Cincinnati man should be acquitted of involuntary manslaughter after he allegedly struck a woman who later died of a heart attack.

He won the release of a man charged with stabbing Middletown priest Charles Mentrup in 2000.

Eric Jackson was acquitted last year when a jury concluded he was not guilty of murder in the shooting death of a pregnant woman. The jury found Jackson acted in self-defense when he fired at another man and missed.

Abstract (Document Summary)

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