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After spending most of her career putting drug dealers and mobsters behind bars, Valerie Caproni landed one of the most coveted legal jobs in the intelligence community.

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HIGHLIGHT:

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We have primary responsibility for keeping America safe, and I am the chief legal officer of that agency. It doesn't get much cooler than that.

BODY:

If you were to run into Valerie Caproni at a party, you would never guess this 5-foot-tall, 49-year-old native of a small town on the Chattahoochee River in Georgia is one of the most hated general counsel in North America. During her 24 years of practicing law, she has managed to enrage the five Mafia families in New York, a host of Colombian drug dealers, heroin smugglers from Nigeria, white-collar criminals and just about every other lowlife living in New York. About a year ago, she added another group of thugs to her list_terrorists.

In August 2003, Caproni, a former assistant U.S. attorney in the Eastern District of New York, took on the job of general counsel of the Federal Bureau of Investigation. Among her responsibilities is helping agents understand the legal parameters within which they can hunt down, investigate and detain suspected terrorists. She also helps expedite requests for subpoenas for national security wiretaps, responds to litigation challenging the FBI's newfound powers under the Patriot Act and ensures no laws are broken when intelligence gatherers share information with criminal investigators, both within and outside the agency.

"This is the coolest job in the world," Caproni says. "I can be doing national security stuff in the morning, a Patriot Act issue after lunch and an employment problem in the afternoon."

How she stumbled across the coolest job in the legal industry was by breaking just about every rule preached by career experts. From the day she graduated law school, Caproni has hopped from one job to the next, never spending more than three or four years in one place. But in the process, she amassed a set of skills that make her the perfect FBI lawyer.

Northern Exposure

her own admission, Caproni had a pretty average childhood growing up in Columbus, Ga., a historic mill town about 110 miles south of Atlanta. At first Caproni wanted to be a veterinarian, but was a terrible science student. After watching "The Defenders" and "Perry Mason" on television, she then set her sights on being a litigator. Her decision made perfect sense_she was smart, aggressive, loved to argue and adored the theater.

After earning a psychology degree in just three years from Tulane University in 1976, she entered the University of Georgia law school. Upon graduating in 1979, Caproni clerked for the Hon. Phyllis Kravitch, an appeals court judge for the 11th Circuit. When her clerkship ended, Caproni knew she didn't want to stay in Georgia. She had approached a number of firms in Atlanta_all of which were amused that a little southern girl wanted to be a litigator. They suggested she was better suited for corporate law.

Caproni refused to buckle. If the South had no need for her talents, then she would shop them around up north. She sent her resume to law firms in New York, and one, Cravath, Swaine & Moore, was more than willing to let her pursue her dreams. In September 1980, she packed her bags and moved to Manhattan to begin her career as a litigator. Unbeknownst to the firm, its new lawyer had no plans to stick around.

Although she was working on some interesting cases_such as defending what was then Time Inc. from libel suits (one of which involved

ventriloquist Senor Wences and another Ariel Sharon)_Caproni had dreams of becoming a prosecutor. After about four years at the firm, she felt confident enough to try her luck, sending applications to both the Southern and Eastern Districts of New York. The Eastern District bit first, and Caproni underwent a nine-month application process. In the fall of 1985, she walked out of Cravath and into her new role as assistant U.S. attorney in the criminal division. Her territory was Brooklyn, Queens, Staten Island and Long Island, and her targets were drug dealers, car thieves, counterfeiters and mobsters.

"I can't complain about my time at Cravath," she says. "I feel like I was paid a lot of money and learned a lot. I left a much better lawyer than when I entered."

Cravath wasn't happy to see her go.

"She was terrific lawyer," says Robert Joffe, head of the firm and Caproni's former boss. "She was really driven and aggressive in the sense of seizing a situation and making it bend to her will."

Her new bosses wasted no time putting those talents to use. Within three weeks, they threw her into a courtroom. The first case didn't go well. The trial involved a man who had re-entered the country after being deported. Right after Caproni made her opening arguments, the judge punted the case to the Southern District because the defendant, who lived in Queens, was arrested in Manhattan. Her second case went much better. It involved a Texas University student who was arrested at JFK International Airport for trying to smuggle a kilo of heroin from Nigeria into the country. He agreed to cooperate with authorities and rat out his business associates. When he backed out of the deal at the last minute, Caproni presented her case in court, and the student received a five-year jail sentence.

"I was pretty confident," she said. "But my feelings before the trial were the same as the way I feel before every trial_which is that I hope that on the way to the courtroom I am hit by a bus. Not really hurt badly, but just enough that the judge would have to postpone the trial. It's not that I am unprepared. I just wonder if there was more I could have done."

For the next four years, Caproni would hone her courtroom skills and learn to manage her pretrial jitters as a prosecutor. One of her proudest accomplishments was taking down Greg Scarpa Jr., the son of famed Colombo-family hitman Gregory "The Killing Machine" Scarpa. The younger Scarpa ran a lucrative marijuana operation in Brooklyn and Staten Island for the Colombo family. Not only was his crew dealing, but also forcing just about every drug dealer in Bensonhurst to pay a "street tax." When one dealer couldn't pay off his \$ 20,000 debt to Scarpa, the crew broke his cheekbone and both arms.

"The police said that when they took him to the hospital he looked like a fly," Caproni says. "Both of his eyes were black and bloodshot, and his arms were broken. They beat the stuffing out of him."

Realizing his days were numbered, the dealer turned to authorities for help. Caproni and her team used him and other witnesses to build a case against Scarpa and his crew, charging them with various federal crimes, including RICO violations. Although Caproni gets a little nervous before each trial, she had no problems taking on Scarpa, whom she helped put away for 20 years. In fact, she kind of enjoyed interacting with the mob.

"Some of these guys are really funny, some are smart and some are really dopey," she says. "But when you talk to them you realize that if they had slightly different backgrounds, they would have become successful businessmen. You also get to know the family when you work these cases. You know who has a grudge against whom and who is married to whom. It's like your very own Peyton Place."

The downside of being a prosecutor was that the job became exhausting.

"I was getting a little burned out on narcotics cases," she says. "I was ready for something different."

At first she transferred out of narcotics to work on white-collar cases, which were tedious and not nearly as satisfying as nailing drug dealers. So in March 1989 she quit, taking the job of general counsel of the New York State Urban Development Corp. (UDC), a public-benefits corporation. Now known as the Empire State Development Corp., the organization develops real estate and secures financing for New York. It wasn't an easy decision for Caproni to leave her job as a prosecutor.

"I loved standing up in front of a judge and saying, 'Good morning ladies and gentlemen, my name is Valerie Caproni, and I represent the United States.' There's no bigger thrill."

Coming Home

UDC didn't provide the same kind of thrills. She managed about 20 people, ensured the organization didn't get into trouble and oversaw the litigation docket.

Because UDC develops properties, Caproni had to deal with environmental impact statements, real estate law and banking issues. The transition from staring down the likes of Scarpa to meeting with bankers decked out in blue pinstriped suits came as a bit of a shock.

"It was different," she says. "I went from being very much the master of my own fate and making all the decisions, to having to answer to the CEO and the board. I spent most of my time advising people rather than actually doing stuff myself."

But it wasn't as though Caproni hated the job. She got to work on a number of interesting projects, including the 42nd Street Redevelopment Project. Started in the mid-1980s, the plan was fairly straightforward_transform Times Square from a porn-ridden hellhole into a vibrant commercial and entertainment center. To do that, UDC had to condemn buildings, kick out tenants and clean up historic theaters that had been transformed into X-rated movie houses. The project required hundreds of deals with landowners, bankers, real estate developers and commercial enterprises, as well as many trips to the courtroom to take on tenants and activists who wished to preserve Times Square's seedy culture. The work kept her busy, but not exactly happy.

"I vividly remember waking up one day and saying, 'What are you doing?'" Caproni says. "'You don't want to be a real estate lawyer, and you don't want to be a banking lawyer.' I wasn't trained to be either."

She also missed putting criminals behind bars.

"The UDC job was more interesting on a day-to-day basis than being an assistant U.S. attorney," she says. "But the highs aren't nearly as high."

In October 1992, she called up some of her old pals at the Eastern District, and they welcomed her back with open arms. After just six months, she was promoted to chief of the organized crime and racketeering section. The goal of her group was to put out of business the five Mafia crime families (the Genoveses, Gambinos, Colombos, Luccheses and Bonannos). During this period she also put Lemrick Nelson Jr. in jail.

On Aug. 19, 1991, a Hasidic Jew driving a station wagon struck two black children in the Crown Heights area of Brooklyn. Witnesses on the street turned on the driver, beating him badly. When an ambulance from a Jewish hospital came and took the driver away, leaving behind the kids, a riot erupted. A mob then saw Yankel Rosenbaum, a visiting rabbinical student from Australia, walking down the street and attacked him. When the cops arrived at the scene the mob scattered, but Rosenbaum managed to grab Nelson, one of the attackers, by the shirt. To escape, Nelson knifed Rosenbaum, who later died from his injuries.

Nelson was charged with murder and acquitted in October 1992. Like many of the residents of New York, the U.S. Attorney's office was not happy that Nelson, who had allegedly admitted to police he was guilty, walked away a free man. So Caproni and her team charged Nelson with violating Rosenbaum's civil rights, and the court sentenced Nelson to more than 19 years in prison. It was a huge victory for both the community and Caproni's office.

"The case kind of put an end to that era," she says. The riot and trial had driven a wedge between the African American and Jewish communities in New York, and led to the political downfall of Mayor David Dinkins.

Caproni was later promoted to chief of the Criminal Division, which oversees a number of different sections, including organized crime, narcotics and general crimes. Her day-to-day responsibilities consisted of reviewing indictments, signing subpoenas, managing operations and handling employee issues. Although she was no longer prosecuting cases, she wasn't completely chained to her desk.

On July 17, 1996, TWA Flight 800 bound for Paris crashed into the Atlantic Ocean off Long Island after taking off from JFK at 8:31 p.m. All 230 people aboard died. Because officials at first believed it was a criminal act (some witnesses said they saw a missile hit the plane), the FBI and Caproni were brought in to investigate and ensure the site was treated as a crime scene. That meant that the National Transportation Safety Board (NTSB), which normally investigates plane crashes, was pushed to the sidelines. That fueled rumors that the feds were covering something up.

Caught up in these rumors was Caproni, who conspiracy theorists accused of running roughshod over the NTSB during the first few days after the accident. Apparently, she made it quite clear that the FBI was in charge and that the FBI would conduct all interviews with witnesses. In addition, Caproni ruffled some feathers when she charged James Sanders, a freelance journalist, for removing a piece of the wreck in order to test it in a lab for explosive residue. To this day, some people still believe terrorists blew up the plane or that a wayward Navy missile struck it, and that Caproni tried to silence witnesses and journalists.

Caproni laughs at the accusations.

"Conspiracy theorists came out of the woodwork before the last piece of the plane hit the Atlantic," she says. "This was the most thorough investigation that had ever been done. We followed every lead and there was no doubt the plane exploded. It was not brought down by a rocket or a bomb. It exploded because of the center fuel tank. Anyone who believes otherwise is not listening to the facts."

As for the charges that she and the FBI took over investigation, Caproni says she is guilty.

"The FBI stepped to the plate because we believed we were investigating a criminal case," she says. "We indicated that we were in charge."

Though there were periods like this that got Caproni's adrenaline pumping again, her job as chief of the criminal division was for the most part administrative_and the workload never seemed to let up.

"It was a drain in the sense that it never ends," she says. "We never saw the light at the end of the tunnel. For us, the light at the end of tunnel was a train coming our way."

In the summer of 1998 she got a call from a former colleague at UDC who was working for the SEC. She wanted to know whether Caproni would be interested in working for the agency. Caproni felt she had nothing to lose.

"I was kind of tired of what I was doing," she says.

Levitt's Prodigy

A few weeks after talking to her friend, Caproni got a call from Arthur Levitt's assistant informing her that the SEC chairman wanted to talk to her. She met Levitt, and they hit it off.

"I loved him," she says. "And I think he liked me because he offered me the job of overseeing the enforcement and regulatory programs of the SEC's office in L.A."

As head of the SEC's Pacific Regional Office, Caproni was responsible for 250 lawyers, accountants and examiners in offices in the nine far western states. One reason Levitt picked Caproni was because he needed someone who could build a relationship with federal prosecutors.

Apparently, there was little communication between the offices and, as a result, SEC investigations often would overlap with those of the federal prosecutors. And sometimes, civil charges were brought while prosecutors did nothing, allowing white-collar criminals to go free.

"My goal was to improve the relationship that exists between the SEC and the U.S. Attorneys offices out there so there were more parallel prosecutions," she says. "For some, it's sufficient to sue them and take all their money. Other people are really evil and deserve to be criminally prosecuted."

Caproni believes she realized her goal. For instance, in Los Angeles, Caproni and prosecutors brought to justice a 23-year-old college student, Mark Jakob, for staging a huge online financial hoax against Emulex Corp., a California-based computer company. In order to profit from a short sale, Jakob published a fake press release on the Web stating the SEC was investigating Emulex. By the time authorities uncovered the fraud, Emulex's stock had plunged from \$ 113 a share to \$ 65 and its market cap had dropped by more than \$ 2.5 billion.

"Within 72 hours of the press release being issued, we built a case against him and got authorization to bring it," Caproni says. "We then worked with the FBI and U.S. Attorney's office so that they could bring a criminal case."

Jakob plead guilty to two counts of securities fraud and one count of wire fraud. He not only had to serve 44 months in prison, but also had to forfeit his gains and pay \$ 103,000 in penalties.

"It was a really exciting time," she says. "We had the big accounting frauds as well as a lot of cases of blatant fraud on a much smaller level."

Although it was exciting, Caproni was having a tough time adjusting to West Coast living.

"I just never got used to living there," she says. "I really missed New York, so I left. I always found it weird to be on the Pacific Coast because when you get up to brush your teeth, they are already telling you how the stock market is doing. It's strange."

In September 2001 she capitalized on her SEC knowledge by accepting a position at Simpson Thacher & Bartlett in New York. Her job was to assist executives and companies that were targets of SEC investigations. For someone who had spent most of her life going after wrongdoers, it was strange to be on the other side. She also missed the public sector and found it difficult to work in the law firm environment.

"You have a lot of other lawyers involved in these cases, and you lose your ability to act independently," she says. "Independence actually doesn't exist in a firm because you have clients and partners who are involved in all matters. Group advice and counseling wasn't very fun_it didn't fit my personality."

While Caproni was trying to figure out what to do next, Leslie Caldwell, a colleague from Caproni's days as chief of the criminal division, called her in spring 2003 to inform her that the FBI's general counsel, Kenneth Wainstein, was stepping down to become chief of staff to Robert Mueller, director of the FBI. Mueller had replaced embattled FBI Director Louis Freeh about a month before September 11 and was in the process of bolstering the FBI's counterterrorism efforts. He needed a GC who could help in these rebuilding efforts, and who also understood criminal law and FBI culture. The friend said she could get Caproni an interview.

"I had worked for Bob [when he was the U.S. Attorney in San Francisco] and for Valerie," Caldwell says. "I knew Bob liked very can-do, proactive people who can get the job done quickly and without a lot of hand-holding."

"It was a natural fit. And both Bob and Valerie want to do what is best for the public interest, rather than what is good for their careers."

Caproni went down to D.C. and met with Mueller. He talked to Caproni and liked what he saw. He convinced Caproni that she was wasting her time at a law firm and asked her to come aboard.

"He did a great job of selling the job," she says. "He thought law firm life was boring. I wouldn't say I was bored; it just wasn't for me."

In August 2003 Caproni became the FBI's top lawyer.

Mueller's Mission

Caproni's job as general counsel is pretty broad. She is responsible for giving legal advice to the director and other FBI officials, researching legal questions regarding law enforcement matters and coordinating the defense of civil litigation and administrative claims involving the FBI, its personnel and records. She also helps train field agents on legal procedures involving investigations and oversees a department of 250 people working in four branches: litigation; legal advice and training; national security law; and administrative and technology law.

Caproni believes that she got the job because of her management and enforcement experience at SEC and her experience with FBI agents at the U.S. Attorney's Office. (Mueller declined to be interviewed for this article.)

"This is a pretty traditional office," she says. "You have people that spend all their careers here. As a result, it requires the right personality to come in and gain the confidence of the agents so they understand that I am not here to say no. In fact, I strain to find ways to help them, as long as it can be done legally and doesn't create a lot of problems for the bureau."

One of the ways she has helped the agents is to streamline the process by which they obtain warrants under the Foreign Intelligence Surveillance Act (FISA). Basically, these warrants allow agents to conduct searches and surveillance of foreign powers and their agents. Agents have to filter all FISA requests through the DOJ's Office of Intelligence Policy and Review, which then argues them before a secret court composed of sitting federal judges. The problem, however, is that some of these requests weren't getting processed fast enough or became entangled in red tape.

"The process between us and the DOJ wasn't very efficient," Caproni says. "There were some fairly significant problems. But I am not sure I am prepared to explain all the problems to the public in a magazine."

What she can say is the DOJ was using different tracking procedures for the requests and often used different terminology to describe the warrants. The lawyers at the FBI and DOJ also sometimes disagree over how to argue a case for a subpoena in front of the secret court, and there was little prioritization of requests.

Her other goal has been to help the FBI break down "the Wall."

In response to the FBI's overzealous investigations of American citizens in the 1970s, Congress, DOJ and the FBI erected an imaginary wall between agents collecting intelligence under FISA warrants and criminal prosecutors. In the late 1990s, the Wall became even higher when agents collecting any type of intelligence believed they couldn't share information with those working on criminal matters. The general fear was that sharing the intelligence would jeopardize cases. Many experts believe it was the Wall that allowed warnings from the field about pending terrorist attacks in the United States to go unheeded. That Wall came crashing down with the passage of the Patriot Act, which gave agents much more power to obtain warrants, share information and subpoena documents. Obviously, not everyone is as happy as the FBI with this arrangement.

"Many of the things people complain about are things the FBI can't do unilaterally," she says. "They all require a court to sign off on them."

In addition, Caproni's office also keeps agents up to speed on the law. Her lawyers also are available to field agents when they aren't sure how to proceed with an investigation from a legal standpoint.

"We drill into the heads of our agents at Quantico that their job is to make the American people safe," she says. "But not at the cost of violating people's constitutional rights."

Keeping The Peace

Although Caproni's main focus is on national security, she still has to deal with many of the same issues faced by her colleagues in corporate America. For instance, the FBI employs about 35,000 people so her office has to handle a range of employment issues, from sexual harassment to wrongful termination. Since the FBI stepped up its counterintelligence operations, Caproni also has spent a fair amount of time hiring new lawyers and ensuring she has the right mix of lawyers to serve her client.

Another major part of her job is handling litigation, the most important of which are two cases filed by the ACLU in New York and Detroit that relate to the Patriot Act.

In the New York case, the organization is challenging the FBI's ability to use National Security Letters (NSLs) to compel ISPs, banks, credit bureaus and other businesses to turn over information about their customers. NSLs don't require the approval of a court and prohibit the business from disclosing to their customers that the FBI has sought or obtained these records.

In the Detroit case, the ACLU is challenging Section 215 of the Patriot Act, which allows the FBI to monitor the books people check out

of libraries and seize other business records. Under the Act, the FBI can obtain these records from the secret court as long as it is for an investigation "to protect against international terrorism or clandestine intelligence activities." The ACLU believes this gives the FBI too much power to spy on U.S. citizens and is a violation of their constitutional rights.

"In these cases, I am sort of the client and our outside lawyers would be the DOJ," she says. "So our role is as a client discussing what positions we need to take."

Although Caproni isn't spending any time in the courtroom, she is content with her role as general counsel. She gets to be involved in taking down the bad guys, hangs out with those on the frontlines of criminal justice and is helping to keep the country safe.

"The FBI is the preeminent law-enforcement agency in the world," she says. "We have primary responsibility for keeping America safe, and I am the chief legal officer of that agency. It doesn't get much cooler than that."

The only bad thing is that the job is in the nation's capital.

"I do miss New York," she says. "But at least D.C. is in the Eastern Time Zone. I can deal with that."

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