

Charges tie Shurtleff job interview to Bank of America deal

Allegations • Former A.G., law firm deny he got post for his foreclosure case decision.

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Then-Attorney General Mark Shurtleff interviewed for a job with a law firm that represents Bank of America just two months before he personally signed a settlement of a lawsuit against the financial giant over whether it was illegally foreclosing on homes in Utah.

He subsequently was hired for the post.

The disclosure of the two days of job interviews was included in criminal charges filed Tuesday against Shurtleff and his handpicked successor, John Swallow, who resigned in December in the wake of investigations that engulfed the two.

By agreeing at the end of 2012 to dismiss the federal lawsuit against Bank of America, Shurtleff scuttled what attorneys in his own office believed was the strongest case that the bank's foreclosure arm, ReconTrust, had been illegally foreclosing on thousands of Utah homes. One estimate put the possible loss to Utah homeowners from the dismissal at tens of millions of dollars.

Among the 10 charges filed against Shurtleff was "Count 7, Accepting Employment That Would Impair Judgment," a second-degree felony. Among the possible violations listed under that law is one for accepting employment "that he might expect would impair his independence of judgment in the performance of his public duties."

The attorney general's office intervened in 2012 in the lawsuit brought by homeowners Timothy and Jennifer Bell after U.S. District Judge Bruce Jenkins issued a ruling highly critical of Bank of America's position that it was legally operating under the laws of Texas, where ReconTrust is located, when it foreclosed in Utah.

The Bells went on to settle their case based on terms of a nationwide legal deal with Bank of America but assistant Utah attorneys general wanted to continue their part of the case.

The state has now intervened in another federal lawsuit over the same issue, said Wade Faraway, an assistant attorney general.

"We're just concerned Utah law be applied in Utah and not Texas law," Faraway said Tuesday.

Shurtleff crossed off the names of Faraway and another assistant attorney general and personally signed a notice of dismissal of the Bell case on Dec. 27, 2012, just days before he left office after three terms.

Before that, Shurtleff and Swallow had engaged in a series of discussions with Bank of America attorneys and lobbyist Jerry Kilgore. During that time the Bells also staged a fundraiser for Swallow's campaign for attorney general.

Shurtleff's calendar showed that on Oct. 30-31, 2012, he interviewed for a job with Troutman Sanders, of which Bank of America is a major client, according to the charges.

The Bells' attorney, Abraham Bates, said he saw no direct evidence of a "pay-to-play" scheme related to the state's dismissal.

"But the more and more I see the details of this timing, the more I think it's a reasonable and valid inference," Bates said, especially given the evidence that Swallow told an assistant attorney general that he may have given Kilgore the impression that the state would settle the case if the Bells received a loan modification.

The Bells were approved for a loan modification and agreed to drop their lawsuit. Shurtleff then signed off on the state dismissal, joining Troutman Sanders in January 2013 shortly after he left office.

Shurtleff said Wednesday there was no connection between his landing the job at Troutman Sanders and his decision in the Bell case.

"There were no discussions whatsoever with any of the 12 or 13 people I interviewed with where Bank of America came up," he said,



Trent Nelson | The Salt Lake Tribune Former Utah Attorney General Mark Shurtleff addresses his arrest on 10 felony counts during a press conference in Salt Lake City, Tuesday July 15, 2014.

noting the FBI had failed to interview anyone at the law firm.

The chairman of Troutman Sanders, Robert Webb, said Tuesday in an email the firm “categorically denies” any connection between the hiring of Shurtleff and the Bank of America settlement. He declined to comment further.

Shurtleff resigned from the firm in May 2013, citing the grueling travel schedule and time away from his family.

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