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# Former In-House Lawyer Pleads Guilty to Theft, Gets 40-Year Prison Sentence

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Anthony Chiofalo, a former in-house lawyer in Houston charged with stealing \$9.3 million from his company, received a 40-year prison sentence after pleading guilty to felony theft. The disbarred lawyer passed up a chance to get less jail time.

Special prosecutor Kent Schaffer said he would have offered Chiofalo a plea deal with a lesser sentence if Chiofalo had agreed to meet with investigators seeking to recover \$2 million to \$3 million that Schaffer said is still unaccounted for.

However, Schaffer said, Chiofalo decided against answering more questions from investigators.

"We had several meetings set up, and they always rescheduled, and he finally said, 'Hey, I'm not going to meet with you. I'll take the 40 years,'" Schaffer said.

On May 5, Chiofalo pleaded guilty to a first-degree felony charge of theft of \$200,000 or more, and visiting Judge James Anderson sentenced him to 40 years in prison.

Houston solo Letitia Quinones, who represents Chiofalo along with Paul Doyle of Houston, said they advised him against accepting the plea deal.

"Mr. Chiofalo was very remorseful for his actions ... and very ashamed for the hurt he caused to his family," Quinones said. "He just wanted it all to stop. He was aware that he would come up for parole after doing about 20 percent of his time, roughly eight years. ... He would just rather take the time that was offered."

Quinones said she disagreed with Chiofalo's decision but had to respect it.

"Ultimately it's the client's decision and not yours," she said.

## Fake Firm

On June 7, 2012, the Harris County District Attorney's Office filed probable cause complaints

against Chiofalo and his then-wife, Susan Chiofalo, [charging both with "theft-aggregate."](#) The D.A.'s office alleged that Anthony Chiofalo set up a fake law firm and caused his company to pay it more than \$9.3 million for legal work from May 2011 to May 2012.

On Nov. 14, 2013, 339th District Judge Maria Jackson dismissed the charge against Susan Chiofalo after the Harris County District Attorney's Office filed a motion seeking dismissal due to insufficient evidence.

Susan Chiofalo, also known as Susan Cardenas, divorced Anthony Chiofalo in 2013. Her attorney, Luci Davidson, of Law Offices of Luci Davidson of Houston, did not immediately return a telephone message seeking comment.

The Chiofalos had been charged after Philip Hilder, a lawyer for Anthony Chiofalo's former employer, Tadano America Corp. (TAC), provided documents to the D.A.'s office. Hilder said that TAC asked him to investigate after an "uncharacteristic spike in litigation" and the company became suspicious.

Hilder, of Hilder & Associates in Houston, said Chiofalo's 40-year sentence is "stiff but appropriate."

"Mr. Chiofalo betrayed. He was general counsel for the company and betrayed the trust of the company and stole quite a bit of money, and, so, under those circumstances, I think the sentence is appropriate," Hilder said.

Hilder said Tadano has recovered more than \$5 million.

According to the probable cause complaints filed against the Chiofalos, Anthony Chiofalo started work at TAC on Jan. 20, 2009, as head of legal affairs and human resources, and in that role he was responsible for managing TAC's litigation.

In April 2011, the complaints alleged, Anthony Chiofalo created a "fictitious law firm" called Maio & Cardenas LLC, and from May 6, 2011, through May 11, 2012, Anthony Chiofalo "caused a series of checks made payable to Maio & Cardenas LLC to be issued by TAC," and those "unauthorized checks" totaled \$9,329,546.81.

According to the complaints, Anthony Chiofalo used \$1,888,777.94 of the money to buy several items from Heritage Auctions from Feb. 7, 2012, to April 5, 2012, including "numerous paintings, sculptures, artwork, photographs, collectables, comic books, memorabilia." Those purchases were delivered to Anthony Chiofalo at a storage unit facility in Spring on April 27, 2012, the complaints alleged.

Anthony Chiofalo, who could not be located at the time the complaint was filed against him, turned himself in to authorities in January 2013, and he's been in custody ever since because Jackson denied his request for bond.

## **Comic Books**

The prosecution took a twist in early 2013, when Lonnie Blevins, a former investigator for the D.A.'s office who participated in the execution of a search warrant at Chiofalo's storage unit, was

charged with unlawful transport, transmission and transfer of "stolen goods, wares and merchandise"—comic books—to Illinois "knowing the same to have been stolen, converted and taken by fraud," according to the superseding indictment. He was also charged with unlawful receipt and possession of stolen property valued at \$5,000 or more, knowing that it had crossed a state boundary after being stolen.

A superseding indictment on July 10, 2013, in United States v. Lonnie Blevins alleges that Blevins sold comic books seized in the search at a convention in Chicago in 2012 and received \$70,000 in cash and checks for the books.

Blevins has pleaded not guilty to the charges. His case is set for trial in June before U.S. District Judge Melinda Harmon. His attorney, Dick DeGuerin, a founder of DeGuerin Dickson Hennessey & Ward of Houston, did not immediately return a telephone message seeking comment.

The D.A.'s office recused itself after Blevins was charged, and Schaffer, a partner in Bires Schaffer & DeBord in Houston, was appointed special prosecutor.