



Written by [R. Cort Kirkwood](#) on April 11, 2019

## Feds: Avenatti Embezzled From Clients, Dodged Income Taxes, Perjured Himself

Michael Avenatti, the flamboyant, tough-talking porn lawyer, isn't talking so tough anymore.

Yesterday, federal prosecutors indicted Avenatti, who falsely smeared U.S. Supreme Court Justice Brett Kavanaugh as a gang rapist, for embezzling clients, evading income taxes, and perjury in federal court.

A few months ago, Avenatti was talking about taking up residence in the White House. If convicted on all counts, he might be living in the Big House.



### Defrauded Five Clients

[The 61-page, 36-count indictment filed](#) in U.S. District Court for the Central District of California describes a lawyer who ripped off clients and the federal government to finance a jet-setting high life of private planes and pricey real estate in Laguna Beach.

Prosecutors wrote that Avenatti “knowingly and with intent to defraud, devised, participated in, and executed a scheme to defraud victim clients.”

Prosecutors described a five-part “scheme” to defraud at least five clients.

“Avenatti would negotiate a settlement on behalf of a client that would require the payment of funds to the client,” [prosecutors allege](#), and then would “misrepresent, conceal, and falsely describe to the client the true terms of the settlement and/or the disposition of the settlement proceeds.”

Then he “would cause the settlement proceeds to be deposited in or transferred to attorney trust accounts” that he controlled. Avenatti “would embezzle and misappropriate settlement proceeds.”

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After that, they allege, Avenatti hid the embezzlement by “falsely denying the settlement proceeds had been paid, sending funds to the client under the false pretense that such funds were ‘advances’ on the reportedly yet-to-be received settlement proceeds, and falsely claiming the payment of the settlement proceeds to the client had been delayed for legitimate reasons and would occur at a later time.”

Such was Avenatti’s greed, he ripped off a paraplegic for whom he had won \$4 million. Avenatti repeatedly lied to the client about the settlement, prosecutors allege, and spent the money on himself. [The Los Angeles Times reported](#) that the man is mentally ill.

Avenatti repeatedly lied to another client about a \$2.75 million settlement. He purloined \$2.5 million of that pot of money to purchase a Honda HA 420 jet. Federal authorities seized it yesterday, the *Times* reported.

He embezzled nearly all of a \$1.6 million settlement from a third client and used it for his coffee business, [prosecutors allege](#), and then, in a complex “common stock repurchase agreement,” embezzled



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\$4 million from another client.

The feds also accuse Avenatti of failure to pay payroll taxes, attempting to “obstruct and impede the administration of the Internal Revenue laws,” and “willful failures to file tax returns.”

Avenatti defrauded a bank in Mississippi, [prosecutors allege](#), and repeatedly perjured himself with “materially false declarations and statements” to and a “false oath” in federal bankruptcy court.

Avenatti also faces wire-fraud charges in connection with the embezzlement.

Avenatti exhaled the usual hot air on Twitter. “I intend to fully fight all charges and plead NOT GUILTY,” [he wrote](#). “I look forward to the entire truth being known as opposed to a one-sided version meant to sideline me.”

“For 20 years,” [he continued](#), “I have represented Davids vs. Goliaths and relied on due process and our system of justice. Along the way, I have made many powerful enemies. I am entitled to a FULL presumption of innocence and am confident that justice will be done once ALL of the facts are known.”

If convicted on all counts, the *Times* reported, Avenatti faces 355 years in prison.

## **Extortion Rap**

[Avenatti faces](#) more trouble in New York. The same day he was arrested for the indictments handed down yesterday in California, he was arrested in New York on charges of trying to extort the Nike Corporation.

Avenatti threatened to hit Nike with damaging allegations at a news conference, but said he wouldn’t hold the news conference if Nike paid him millions of dollars. If convicted of those charges, the *Times* [reported](#), Avenatti faces another 47 years in the slammer.

Avenatti shot to fame when he sued President Trump on behalf of porn queen Stormy Daniels, a lawsuit that eventually [ended in humiliating defeat](#) for the buxom blonde, who must pay Trump nearly \$300,000 in attorney fees.

Avenatti solidified his credentials as a champion of women [when he falsely accused](#) Kavanaugh of gang rape on Twitter, then [peddled the falsehood](#) to the Senate Judiciary Committee. [Democrats thought](#) the outrageous claims helped confirm Kavanaugh.

The notoriety from the Daniels and Kavanaugh controversies went to his head, and he put himself forward as presidential candidate, a laughable plan that [quickly collapsed](#).

On top of all these losses, Avenatti’s wife beat him like a red-headed stepchild in their divorce case.

*Photo: AP Images*



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