

FOLLOWING THE MONEY

A veteran P.I. faces his biggest challenge: finding the Madoff money, if any exists.

STEVEN BURSEY WAS SALVATING. The senior investigator had been looking into Bernard Madoff ever since the scandal broke in December. Now, on the other end of the phone, one of his guys had called to say that an ex-Madoff employee they'd interviewed a week earlier had a copy of Ruth Madoff's hard drive and was offering to mail Bursey the discarded machine. "Get someone down there immediately," Bursey said. "Go get it!"

What's surprising is that Bursey isn't with the Federal Bureau of Investigation, the Securities and Exchange Commission, or even the New York attorney general's office. He's with Milberg. The plaintiffs firm is representing more than 80 Madoff victims in what Bursey calls "the big hunt" for the billions that investors lost in the Ponzi scheme.

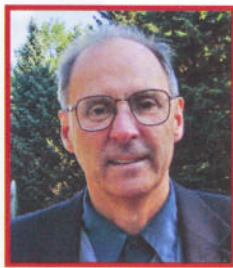
Bursey, 62, isn't a lawyer. He's an ex-FBI agent who heads Milberg's in-house team of investigators, which revolutionized how big plaintiffs firms investigated cases. "They used to farm it out and get shoddy work at excul-

patory prices," he says—that is, until 1997, when Bursey retired from largely investigating the mob and white-collar crime for the FBI. "I walked in the office cold, and then was hired," he says.

At its peak, the Milberg unit had 15 investigators. In the plaintiffs bar, Bursey's operation became known as the "Milberg model," and competitors such as Bernstein Litowitz Berger & Grossman and Labaton Sucharow nabbed some of his underlings to start up their own in-house investigations units. "I am compelled to pay my people a good wage because everyone wants to hijack them," Bursey says.

Then came the indictment of Milberg Weiss Bershad & Schulman in 2006. The firm lost clients. The investigative unit lost some talent to competitors and laid off others, but Bursey remained loyal to the firm throughout.

Now, after Milberg's \$75 million settlement last year, Bursey



STEVEN BURSEY:
On the Madoff trail

is staffing up again. Most of what the firm handles are stock-drop cases, which follow a standard routine. Typically, after Milberg files an initial complaint, Bursey assigns an investigator to call industry contacts and ex-employees to dig for information to add to an amended complaint. The recession is only making those cases easier, as angry and laid-off employees let slip their secrets to his people.

Madoff, though, is different. "So much is yet to be discovered, and there are so many different people looking at it from so many different angles," says Milberg partner Sanford Dumain, who has been using Bursey's reports to strategize and advise clients. Bursey's files for a typical stock-drop case are less than an inch thick. In contrast, on a recent visit to Bursey's office, Madoff-related papers were stacked a foot high on his desk.

Bursey claims that Milberg has conducted more than 100

interviews in the Madoff case and even beat the feds on a few angles. Milberg turned over to the government information on Madoff's three airplanes, he says. A lucky member of Bursey's team went to Madoff accountant David Frieghling's offices in time to snap photos of him lugging out his computer.

One of Bursey's goals right now is tracking down the captain of Madoff's boat, in hopes of asking him if Bernie ever went to, say, the Cayman Islands. Much attention is also going toward the funds that fed money into Madoff's operation, such as Fairfield Sentry Ltd. In April, Milberg and cocounsel Seeger Weiss filed a petition to push Madoff into involuntary personal bankruptcy in order to go after his assets.

And Ruth's hard drive? Bursey still has it. He's called the FBI, but no one has shown up to collect it. "We're still in the process of analyzing it, but there's nothing earth-shattering," he says. There's a few bills, and her Internet search history. Still, in the quest to unravel the world of Bernie, every word counts. —NATE RAYMOND

CITATIONS

"I don't think partner retreats are what hold a firm together. Frankly, what holds a firm together is money. That's what holds us together."

JOHN QUINN of Quinn Emanuel Urquhart Oliver & Hedges, The Wall Street Journal Law Blog, March 26.

"You try really hard to get paid first. People in jail generally aren't very thankful."

ED TOMKO, a Dallas criminal defense lawyer, on the perils of representing a white-collar criminal. *Houston Chronicle*, March 13.

"The strategy of the defense side was that men would be more sensitive to a penis injury. My experience has been that men aren't as sensitive about anything."

Atlanta attorney CRAIG JONES, whose 4-year-old client was awarded \$2.3 million for a botched circumcision. *Fulton County Daily Report*, March 31.

"In effect, Irell was interrogating one client to benefit another."

U.S. district court judge CORMAC CARNEY of Santa Ana, California, referring Irell & Manella to the state bar for discipline for taking on clients with adverse interests to another Irell client, Broadcom Corporation, in stock fraud litigation. *San Jose Mercury News*, April 3.

"It also is specifically noted that if the victim in this case, Jaron Thompson, is resurrected, as you [Jaron's mother] still hold some hope he will be, you may withdraw the plea, and the charges will be [dropped]."

Baltimore judge TIMOTHY DOORY to Ria Ramkissoon, a member of a cult that allegedly killed Ria's son by depriving him of food and water. Ria agreed to testify against other members of the cult. A spokeswoman for the prosecutor said, "This would need to be a Jesus-like resurrection. It cannot be a reincarnation in another object or animal." *The Washington Post*, March 31.