

Murphy & McGonigle hires from Cadwalader

Clara Hudson, 22 February 2018



Former federal prosecutor Joseph Facciponti has joined white-collar boutique Murphy & McGonigle in New York as a shareholder in its cybersecurity practice.

Facciponti started on 12 February, after leaving Cadwalader Wickersham & Taft, which he joined as special counsel in October 2016.

Facciponti said he wanted to move to the seven-year-old financial services and regulatory boutique Murphy & McGonigle because of its growing focus on cybersecurity.

Facciponti said the firm is expanding its cybersecurity practice to help clients handle the threat and aftermath of a hack. He said that a handful of high-profile data breaches in the past six months have proved that cyberthreats are “increasingly pervasive”.

“Whether you’re the smallest broker dealer or the largest financial institution, cybersecurity is an essential part of compliance,” he said.

Facciponti said he expects authorities to provide “strict and prescriptive” rules on how to address cybersecurity following major breaches, such as the hack on credit-scoring company Equifax which was disclosed in 2017 and exposed the personal information of 143 million people.

Equifax’s efforts to protect its customers was called into question after it was revealed that it failed to fix a well-known vulnerability in its computer systems.

On 21 February, the US Securities and Exchange Commission (SEC) released guidance on cybersecurity disclosures for public companies. Facciponti said this guidance is “welcome” following cyberattacks such as the incident at Equifax.

At Cadwalader, Facciponti represented banks and individuals on matters including data breaches, regulatory investigations and cybersecurity compliance.

Prior to Cadwalader, Facciponti was the head of HSBC’s global internal investigations group from 2014 to 2016. He represented the bank before regulators and led investigations related to money laundering, sanctions and bribery.

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At HSBC, Facciponti was briefly involved with a US investigation into the bank's hiring practices in Asia. HSBC announced in February 2016 that the US Securities and Exchange Commission (SEC) was investigating the bank over its hiring of candidates in Asia with connections to government officials.

Previously, Facciponti served as a prosecutor in the US Attorney's Office for the Southern District of New York where he focused on cybercrime and fraud from 2005 until 2014. During that time, he handled cases involving computer hacking, fraud, money laundering and intellectual property theft.

Facciponti led the prosecution of wine dealer Rudy Kurniawan who was found guilty in 2013 for his scheme to sell counterfeit wine for millions of dollars. According to prosecutors, Kurniawan also concocted a "fictional tale" that enabled him to defraud a lender out of \$3 million.

He also handled the prosecution of a Russian hacker, Aleksander Kalinin, who was charged in 2013 for allegedly infiltrating stock market Nasdaq's servers as part of a scheme to steal millions of dollars from over 800,000 bank accounts.

Murphy & McGonigle chairman James Murphy said in a press release that Facciponti's experience both in government and in-house gives him a "full appreciation" of the "legal and regulatory challenges facing clients in the financial sector".

Murphy also said that Facciponti's experience in investigating and prosecuting cybercrime cases will "enhance and expand the capabilities" of the firm's cybersecurity practice.

Cadwalader did not immediately respond to a request for comment.