

# Veteran federal prosecutor Bob Westinghouse retires

Bob Westinghouse, a longtime white-collar and criminal prosecutor in the U.S. Attorney's Office, is leaving after a 35-year career involving some of the largest fraud cases in state history.

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John Lok / The Seattle Times

Bob Westinghouse, newly retired chief of the criminal division in the U.S. Attorney's Office, worked for more than three decades prosecuting white-collar crime.

In a profession dominated by off-the-rack dark suits, white shirts and muted ties, Bob Westinghouse has stood out in his sharply tailored earth-tones and ever-present bow tie — a patrician attorney you might imagine running a corporate board meeting, not investigating the company.

But for most of the last 35 years, Westinghouse has done just that as a white-collar prosecutor and, most recently nearly eight years, chief of the criminal division in the U.S. Attorney's Office in Seattle.

Westinghouse, 68, retired Wednesday after a career in which he has overseen or been the lead prosecutor in many of the largest corporate and tax-fraud cases in Western Washington, including overseeing a criminal investigation into whether fraud played a role in the largest bank failure in U.S. history — the collapse of Washington Mutual in 2008.

In the short term, Westinghouse said he plans to spend time with his wife, two daughters and two grandchildren, noting a third is on the way.

He leaves with a few observations and one heart-wrenching regret — that there has been no arrest in the murder of his close friend and colleague [Tom Wales](#), who was shot to death in the basement of his home in Seattle's Queen Anne neighborhood in October 2001.

Westinghouse worked with Wales on the fraud case federal agents have long believed was the motive for the slaying. He was under guard for weeks after the killing.

“It is extremely frustrating,” Westinghouse said. “As I know it must be for the agents working the case. I can only hope that it will be resolved.”

In the 1980s, Westinghouse sent real-estate financier Raymond Gray away for 15 years for swindling \$20 million in a savings-and-loan fraud.

More recently, he handled the prosecution of financial guru and scam artist [Wade Cook](#) and the successful 2011 prosecution of two key executives at the Seattle hedge-fund company [Quellos Group](#), responsible for what the Internal Revenue Service called one of the largest tax-evasion scams in U.S. history, costing the government \$240 million in a single year.

Westinghouse helped build the case and negotiate a plea that sent [Jeffrey Greenstein and Charles Wilk](#) on a staggering fall from the pinnacle of Seattle's financial community to federal prison for more than four years each.

Moreover, as criminal chief the past eight years, he has been involved, to one degree or another, with every criminal case filed in the district. U.S. Attorney Jenny Durkan also has him review all cases involving public corruption.

“When Bob Westinghouse walks out the door, we lose not just a dedicated lawyer and public servant, but a remarkable person with an unfailing ethical compass,” Durkan said.

He was the obvious choice as the criminal chief when she took office in 2009, Durkan said, and those attributes led her to nominate him to the Department of Justice's (DOJ) criminal chiefs working group, which helps guide prosecution policies throughout the U.S.

He's leaving at a time when two other key fraud prosecutors — Carl Blackstone and Kathryn Warma — also are retiring.

“It will be a big hit for the office,” Westinghouse said, adding that none can be replaced because of a departmentwide hiring freeze. He expects the squeeze to continue.

“Going forward, it's clear this office is going to have to make some hard decisions about its focus,” he said. Already, he said, the DOJ is moving away from prosecuting violent crimes like bank robberies and less-serious firearms cases that might have generated a grand-jury indictment in the past.

Terrorism will continue to be a priority, Westinghouse said, as will illegal guns and international criminal cartels. But otherwise, he believes federal resources can be best focused in areas such as public corruption and complex fraud cases.

In Seattle, one area where the criminal division has focused is prosecuting armed career criminals and felons with guns, as federal penalties are far more severe than what the state can impose.

“I have been an extremely strong advocate of strong enforcement of firearms laws,” he said.

In more than three decades as a federal prosecutor, Westinghouse has seen a lot of changes, and what seems to work and what doesn't.

Without taking a stand on the state's legalization of marijuana, which remains illegal under federal law, Westinghouse said it is “clear that the existing system for dealing with the possession or the intent to distribute drugs is not working — regardless of the substance.”

Prosecutors, he said, must discriminate in their use of charges that carry mandatory-minimum sentences. This district, he said, has been a “leader” in the discretionary filing of charges carrying mandatory-minimum sentences.

Research has shown that such crimes have undue impacts on communities of color. “We are conscious here of the societal and racial impact,” Westinghouse said.

For two years, Westinghouse supervised a grand-jury investigation into the collapse of Washington Mutual.

Reported losses of nearly \$17 billion in deposits over nine days and the bank's forced takeover by the Federal Deposit Insurance Corp. — and subsequent firehouse sale to JPMorgan Chase — had a lot of people clamoring for criminal charges.

Westinghouse said agents and prosecutors pored over more than a million pages of documents in the probe. [No indictment was ever issued.](#)

“Not every financial collapse can be traced back to criminal conduct,” Westinghouse said.

He said bad judgment, bad business practices or, sometimes, a lack of foresight can all contribute to a business failure “without the intent to defraud or mislead.”

At the same time, he pointed out, “You have to keep in mind the standard of proof beyond a reasonable doubt.”

Westinghouse said no case has been more important to the office, however, than the prosecution of Ahmed Ressam, the al-Qaida-trained terrorist who tried to sneak the components of a powerful bomb into the U.S. from Canada in Port Angeles in 1999.

Prosecutors obtained a conviction and secured Ressam's cooperation in the months before the Sept. 11, 2001, terrorist attacks.

The case devolved into a battle over how much time Ressam would serve in prison after he stopped cooperating and reneged on his plea deal. After three attempts, prosecutors finally secured a [37-year sentence](#) for the Algerian.

That case involved the extensive use of foreign intelligence, and Westinghouse said the U.S. public — in the wake of the Wiki-leaks and Edward Snowden scandals — must come to grips with how much privacy it is willing to sacrifice in the name of national security.

“Concessions will have to be made,” he said.

Tom Hillier, the federal public defender in the Western District of Washington, said he and Westinghouse both began their federal-court law practices in the mid-1970s.

“I know him well, and he is a friend despite the fact that we rarely agree when working a case,” said Hillier. “That we have remained friends in a difficult environment speaks to his professionalism.”

“He has earned retirement,” Hillier said. “While I will miss him, his bow ties are another thing.”

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