

THE WALL STREET JOURNAL

May 25, 1999

Ex-Cons Find Peace and Paycheck On the Burgeoning Lecture Circuit

By JOSHUA HARRIS PRAGER

Staff Reporter of THE WALL STREET JOURNAL

Webster Hubbell hasn't even taken his seat on the speakers' dais, and the 325 accountants in the audience are already snickering.

The former presidential confidant and Whitewater figure has come to the Cobb Galleria outside Atlanta to "educate" a convention of certified public accountants in how to detect financial impropriety. Mr. Hubbell is currently under indictment for evading the collection of tax and for lying to federal investigators (he has pleaded not guilty).

In 1994, Mr. Hubbell pleaded guilty to mail fraud and tax evasion while a partner at the Rose Law Firm in Little Rock, Ark. He served 18 months of a 21-month sentence and is free on parole. "You might as well learn from the best," Audrey McCrary, a well-dressed CPA, says to the colleague seated beside her.

The master of ceremonies, Gary Zeune, plays to the



Hubbell

crowd as he introduces Mr. Hubbell. "Webb," he crows, "why the hell did you do this?"

So starts another gig for the Pros & the Cons, a speaking troupe of white-collar criminals now in its second year. The group is the brainchild of Mr. Zeune (rhymes with "tiny"), a 50-year-old CPA from Columbus, Ohio. Mr. Hubbell is his prized recruit.

Mr. Zeune's speakers are right at home on the modern corporate-lecture circuit, which is starting to resemble daytime talk-show circles. Everest climbers, sports coaches, even a former hostage, whose inspirational routine is based on being shot in the head -- all make regular appearances at lunch-hour talks and corporate retreats.

Over the past decade, the number of speakers on the lecture circuit has at least quadrupled, according to the National Speakers Association, a Tempe, Ariz., group that promotes and trains its members, whose median income from speaking in 1997 was \$73,000, more than double the 1990 figure of \$30,000.

Mr. Zeune's speakers require some special handling. Forget about panel discussions: the federal court system's probation division requires **ex-cons** to obtain special dispensation to knowingly have contact with one another. Before booking one of Mr. Zeune's speakers, CPA societies commonly check first with the FBI to

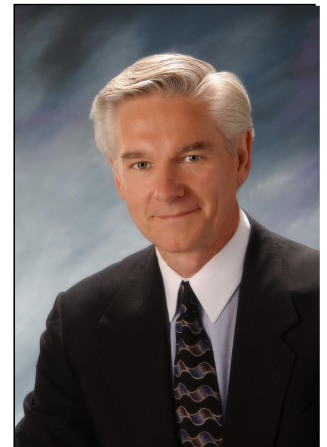
make sure that they are allowed to lecture under the terms of their parole and that their claims to

being **ex-cons** are, in fact, legitimate. "Face it. Accountants are damn conservative," says Mr. Zeune. "I'm sort of surprised they do this at all."

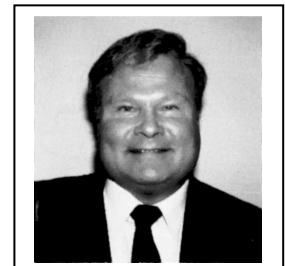
Some doubt the effectiveness of the Pros & the Cons as a fraud deterrent. "I think the group is fairly entertaining, but I'm not sure it helps us," says David Nesbitt, an FBI agent in Ventura, Calif., who oversaw fraud investigations in Los Angeles from 1990 to 1998.

Public speaking does seem to benefit the speakers.

"Guys in Gary's group are dealing better than other white-collar criminals," says Mark Morze, one of Mr. Zeune's speakers, who served more than four years in jail for his role in ZZZZ Best



Gary Zeune, Founder
The Pros & The Cons



Mark Morze

Co., the carpet-cleaning enterprise that bilked banks and investors for some \$100 million back in the 1980s. "Guys who are in denial pay the price forever," Mr. Morze says.

"It's kind of like an alcoholic talking about what happened to them when they started drinking," Mr. Hubbell says. "There's something about confession."

And then there's the paycheck. "There's not too many people who want to hire 50-something-year-old ex-convicts," says Nicholas Wallace, another one of Mr. Zeune's speakers, who spent almost seven years in jail for his role in a \$350 million fraud at ESM Government Securities Inc., a Fort Lauderdale, Fla., brokerage house that defrauded Ohio's state banking commission in the 1980s. When Mr. Wallace went to prison in 1987, he had \$1.8 million. When he got out, after legal fees and a divorce, he had \$800. Mr. Hubbell says that he owes \$3 million in legal fees.

Mr. Zeune grew up the eldest of four children on a dairy farm and became a CPA in 1973. He worked a number of jobs until 1988, when he found his niche behind the podium, lecturing accountants on financial statements and other bean-counting basics.

In 1994, Mr. Zeune added a new topic to his repertoire: preventing fraud. To spice it up, he looked for an **ex-con** to appear with him. He found 30-year-old Barry Minkow, who had founded ZZZZ Best at age 16 and was then serving a 7 1/2-year prison sentence for stealing \$26 million. Mr. Minkow got permission from his parole officer and took the job.

Suddenly, sleep-inducing lectures on the mechanics of fraud came alive. "I was the steak, Barry was the sizzle," says Mr. Zeune. Indeed, the very attributes that enabled Mr. Minkow to hoodwink sophisticated bankers and private investors -- charm, aplomb, ingenuity -- served him well as a speaker. Mr. Zeune, meanwhile, wrote a book, "The CEO's Complete Guide to Committing Fraud."

When Mr. Minkow decided to give up lecturing and become an evangelical Protestant minister, Mr. Zeune asked ZZZZ Best's Mr. Morze to come aboard -- without ever having heard him speak: "I said, 'Gee whiz. He stole \$100 million. How bad [a speaker] can he be?'"

Mr. Zeune, who had come to know about 40 FBI agents through his fraud lectures, began to ask them to recommend other newly released white-collar criminals. Soon, he was paring back his own speaking schedule in order to promote his **ex-cons**.

Snagging Mr. Hubbell was a coup. Last summer, during one of Mr. Zeune's routine canvasses of the **ex-con** landscape for new talent, he came across the National Center on Institutions and Alternatives, an Alexandria, Va., research center on criminal justice. Mr. Hubbell was working there part-time as a senior research fellow soon after his release in 1996 from federal prison in Cumberland, Md. The two linked up.

Mr. Hubbell's Atlanta appearance is only his third for Mr. Zeune. Earlier, he had appeared nervous while waiting for it to begin, his fingers fidgeting with a pink Sweet 'n Low wrapper he'd just emptied into his second cup of coffee. Now, with Mr. Zeune's blunt introduction hanging in the air, the audience waits for an answer.

Mr. Hubbell offers a brief description of how the effects of fraud can snowball. Soon, his self-effacing manner begins to win over the crowd. "The last time I was in Atlanta," he says in his soft Southern drawl, "I was under suicide watch." (He'd been in Atlanta as a prisoner in transit, and his guards were worried about his safety.)

He describes the despair of confessing his crimes to his children and tells of a corporate CEO he met in prison who is now busing tables at a Mexican restaurant. Finally, he explains how he executed fraud: "I was hiding my payments for personal expenses in the bill."

His advice on how to identify red flags seems to find its mark. "How often do I really pay attention to someone's lifestyle?" wonders Barbara Jesup, director of internal audit at AFC Enterprises, an Atlanta restaurant company.

The speech concluded, Mr. Zeune is all smiles. Mr. Hubbell was less amused. "There's that shame factor that's hard to overcome," he says.

NOTE Photos of Hubbell and Morze inserted by Mr. Zeune.