

McElroy Deutsch Alleges Former CFO's Multi-Million Dollar Theft, Highlights Role of Attorney Spouse



In a lawsuit filed on June 27, McElroy, Deutsch contends that their former CFO, John Dunlea, engaged in a systematic and covert scheme, dishonestly paying himself unauthorized bonuses totaling at least \$1.6 million. This alleged misappropriation took place over a period of more than 10 years.

The lawsuit further claims that John Dunlea and his wife, Nicole Alexander, a former law firm employee, indulged in luxurious vacations funded through "business-card abuse," resulting in expenses exceeding \$1.6 million. McElroy, Deutsch asserts that Alexander, who initially worked as an associate before transitioning to the role of director of business and professional development, was aware of the embezzlement due to the couple's extravagant lifestyle.

The lawsuit highlights the couple's opulent spending habits, including residence in a million-dollar Westfield, New Jersey home and frequent stays at world-class hotels during lavish vacations. The suit alleges that Dunlea and Alexander took advantage of the firm's credit card, indulging in over 60 vacations at luxury hotels, often opting for first-class flights. The destinations of their trips spanned various locations such as San Diego, London, Paris, the Caribbean, and more.

Additionally, McElroy, Deutsch claims that the firm's credit cards were utilized to finance vacations for Dunlea's relatives, including his children and ex-wife. The suit also reveals that Dunlea and Alexander used their American Express firm credit cards to make significant firm expenses, thereby accumulating substantial personal benefits in the form of valuable Amex points.

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Upon confrontation by the firm's executive committee regarding the unauthorized bonuses, Dunlea admitted to his wrongdoing and expressed remorse. His explanation for the embezzlement was his purported need for money to fulfill family obligations. As a result, Dunlea chose to resign in April 2023 to avoid termination. To partially reimburse the bonuses, he cashed out his 401(k) plan and forwarded \$366,000 to the firm.

In response, Alexander filed a lawsuit against McElroy, Deutsch, claiming that she had no knowledge of her husband's alleged financial misconduct. She asserts that she and Dunlea maintained separate bank accounts, with a joint account solely used for mortgage payments. Alexander further states that she was unaware of the financial support Dunlea provided to his ex-wife until after her termination from the law firm. She raises concerns of potential discrimination, suggesting that her marital status may have influenced her firing.

Dunlea's lawyer, Bruce Nagel has not yet responded to requests for comment on the matter.

The lawsuit filed by McElroy, Deutsch accuses Dunlea of breaching his fiduciary duty, committing fraud, and engaging in conversion. The firm seeks legal recourse to address the alleged embezzlement and recover the misappropriated funds.

This legal battle continues to unfold, shedding light on the financial misconduct within McElroy, Deutsch, Mulvaney & Carpenter and the potential involvement of the CFO's spouse. Stay updated on this case's developments through reputable legal news sources such as Law.com, Law360, and NJ.com.

Don't be a silent ninja! Let us know your thoughts in the comment section below.