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## Convicted State Street Exec Gets Lenient 18 Months

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Law360 (October 16, 2018, 2:26 PM EDT) -- A former [State Street Corp.](#) executive was sentenced to 18 months in federal prison Tuesday for stealing millions from clients by sneaking in undisclosed fees on massive transactions, a more lenient ruling than the five-year sentence prosecutors had requested.

With dozens of Ross McLellan's friends and family members in attendance in Boston federal court, U.S. District Judge Leo T. Sorokin said the federal sentencing guidelines, which called for 14 to 17 years, do not clearly address crimes like McLellan's in which the direct victims were institutional investors, rather than individuals.

Still, Judge Sorokin said, McLellan knowingly took part in a scheme to defraud clients, including the pension fund for postal workers in the United Kingdom and insurance company [AXA SA](#).

"This is a case about truth," Judge Sorokin said. "You cannot tell people you're going to charge one thing and then charge something else."

[Prosecutors suggested](#) McLellan showed no remorse for his actions, shifting the blame onto two lower-level co-workers who previously pled guilty and testified McLellan at trial. McLellan said otherwise in a brief statement to the court Tuesday.

"There is no more remorseful person on this planet than me," he said. "I hope you show mercy as I try to rebuild my life and make a positive impact on society."

McLellan, who is now 46 and ascended to become State Street's youngest-ever vice president, had requested a sentence of one year and one day. He submitted 78 letters of support from family and friends that paint him as a model citizen.

"A year and a day is an enormous amount of time for a father of four," his attorney, Martin G. Weinberg, said Tuesday. "I don't know what purpose there is in a sentence that exceeds that."

McLellan was told to begin serving his sentence after the New Year at FMC Devens in Massachusetts. Judge Sorokin also ordered two years of supervised release and a \$5,000 fine.

Weinberg said Tuesday he plans to request that McLellan's sentence be delayed pending an appeal in the case.

McLellan was [convicted in June](#) on five counts of wire fraud, securities fraud and conspiracy to commit those offenses. The government said he worked with two lower-level directors, Edward Pennings and Richard Boomgaardt, to add basis points, pennies per transaction, to multibillion-dollar trades for overseas clients.

"The others turned to him for approval and he provided it," Assistant U.S. Attorney Stephen E. Frank said Tuesday. "When that crime is committed by an executive vice president at one of world's largest banks, it demands a serious consequence."

Boomgaardt avoided jail time with a sentence of one year of probation. Frank said prosecutors will seek prison time for Pennings.

The government is represented by Assistant U.S. Attorney Stephen E. Frank and William Johnston of the [U.S. Department of Justice](#).

McLellan is represented by Martin G. Weinberg of Martin G. Weinberg PC, Robert M. Goldstein of the [Goldstein Law Firm](#), Maksim Nemtsev, and Michael Pabian of Michael Pabian Law Office LLC.

The case is U.S. v. McLellan et al., case number [1:16-cr-10094](#), in the U.S. District Court for the District of Massachusetts.