

Name: Alert ID: TMML2024032314252 NEW YORK, June 23 (Reuters) - A federal appeals court on Tuesday refused to overturn the fraud conviction of former Cendant Corp Chairman Walter Forbes for his role in one of corporate America's largest accounting scandals. The 2nd U.S. Circuit Court of Appeals in New York rejected Forbes' argument that a new trial was warranted because newly discovered evidence from a former chief financial officer at CUC International Inc, a Cendant predecessor, might exonerate him. Forbes' earlier appeal of his October 2006 conviction was rejected by the U.S. Supreme Court in May 2008. The federal case had been prosecuted by U.S. Attorney Chris Christie of New Jersey, now that state's governor. Masha Hansford, a lawyer for Forbes, declined to comment. The U.S. Department of Justice did not immediately respond to a request for comment. Forbes, 72, was sentenced in January 2007 to 12 years, seven months in prison and ordered to pay \$3.275 billion after jurors in Bridgeport, Connecticut, found him guilty of conspiracy and two counts of submitting false reports to the U.S. Securities and Exchange Commission. Prosecutors accused the New Canaan, Connecticut, resident of masterminding a fraud that began at CUC, where he had been chairman and chief executive officer, and inflated earnings. The fraud was discovered in 1998, wiping out \$14 billion of market value in one day at Cendant, a travel and real estate services company. Its size was later surpassed by scandals at Enron Corp and WorldCom Inc. In his latest appeal, Forbes sought to have former CUC Chief Financial Officer Stuart Bell rebut testimony from Cosmo Corigliano, his successor as CFO, about the fraud. Bell had invoked his Fifth Amendment right against self-incrimination, but Forbes said he could now testify under immunity because the statute of limitations for the government to charge him had run out. Circuit Judge Richard Wesley, however, wrote for a three-judge panel that the time lapse did not make Bell's testimony newly discovered, given that Forbes "had to be aware" of its exculpatory nature during the trial. The "mere passage of time" did not justify a new trial, Wesley wrote. Cendant evolved into what is now Avis Budget Group Inc and in 2000 reached a \$2.9 billion civil class action settlement with shareholders. Forbes is not eligible for release until July 21, 2018. The case is U.S. v. Forbes, 2nd U.S. Circuit Court of Appeals, No. 14-733. (Reporting by Jonathan Stempel in New York; Editing by Lisa Von Ahn)