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Ex-Conn. Utility Execs May Get Reprieve From 2nd Indictment

By **Brian Steele**

Law360 (December 6, 2024, 4:46 PM EST) -- Two former Connecticut utility company executives who are weeks away from beginning federal prison sentences entered pretrial diversion agreements with the government on Friday that would allow them to escape a second raft of charges alleging that they conspired to misuse public money.

Drew Rankin, former CEO of the Connecticut Municipal Electric Energy Cooperative, and former board chair James Sullivan signed the deals during a hearing before U.S. Magistrate Judge Robert A. Richardson in Hartford, agreeing to abide by conditions of supervised release after they serve **prison** terms.

Each is scheduled to report to a federal correctional facility on Dec. 18, following their May 2023 convictions in a separate case for using the utility's money for lavish personal trips. The Second Circuit **upheld** those convictions in September.

Rankin, 63, and Sullivan, 58, were indicted for an alleged conspiracy to pay for Sullivan's personal expenses with CMEEC funds, and that case remains pending.

In a written order issued after the hearing, Judge Richardson recommended that U.S. District Judge Jeffrey A. Meyer approve the pretrial diversion deals. If the defendants successfully abide by the terms for 18 months, as determined by a probation officer, prosecutors said they would move to dismiss the indictment.

A previous indictment targeted Rankin, Sullivan and former CMEEC board member John Bilda, who were all convicted on one of four counts. Prosecutors said they misappropriated money to pay for trips to West Virginia's Greenbrier Resort in August and October 2015 and to the Kentucky Derby in 2015 and 2016 that they claimed were corporate retreats.

Sullivan only attended the first Greenbrier golf outing and the first Kentucky Derby trip, and left his CMEEC job before the second Greenbrier trip, according to a Second Circuit panel's Sept. 6 opinion affirming the convictions for stealing from a program that receives federal funds.

Edward DeMuzzio, CMEEC's former board secretary, and Edward Pryor, the co-op's former chief financial officer, were charged but acquitted.

Sullivan and Bilda were each sentenced to six months in prison and more than $187,000 in restitution, while Rankin was sentenced to 12 months and ordered to pay back more than $374,000.

In October, Judge Meyer ordered the defendants to begin their prison sentences on Dec. 4, pending a placement by the U.S. Bureau of Prisons, but later pushed back that date to Dec. 18 for Rankin and Sullivan, because the bureau had not designated the facilities to which they should report.

The defendants were arraigned on both sets of charges in November 2018 and pled not guilty to all of them.

In court Friday, Assistant U.S. Attorney Michael S. McGarry said the pretrial diversion deals would have no effect on the other case, and that the pending charges are "unlikely to result in a substantially longer additional term of imprisonment." He said that CMEEC "strongly prefers" the

agreement instead of another trial.

The deal with Sullivan requires him to pay nearly $41,600 in additional restitution.

The defendants said little in court beyond answering routine questions from Judge Richardson about their states of mind and understanding of the agreements. But Sullivan noted that he has lived under supervised release conditions for more than 6 years, and assured the court that he "will not go outside those bounds."

Counsel for Rankin, Craig A. Raabe of Izard Kindall & Raabe LLP, told Law360 in a statement after the hearing that Rankin did not commit a crime in connection with Sullivan's expenses.

"Drew is pleased to have this case behind him. The CMEEC Board of Directors instructed Drew to approve these lobbying-related expenses, just as the Board had instructed the prior CEO," Raabe said.

In a November 2018 statement announcing both indictments, the U.S. Attorney's Office for the District of Connecticut said, "Sullivan's personal expenses were charged to the CMEEC account for lobbying expenses, even though Sullivan was not a registered lobbyist for CMEEC."

Counsel for Sullivan did not immediately respond to requests for comment. A representative of the U.S. attorney's office declined to comment.

The government is represented by Michael S. McGarry and David E. Novick of the U.S. Attorney's Office for the District of Connecticut.

Rankin is represented by Craig A. Raabe and Christopher M. Barrett of Izard Kindall & Raabe LLP.

Sullivan is represented by Vladislav Shafran and Daniel S. Noble of Krieger Lewin LLP and by Matthew B. Danzer of Finn Dixon & Herling LLP.

The case is U.S. v. Rankin et al., case number 3:18-cr-00273, in the U.S. District Court for the District of Connecticut.

--Editing by Nicole Bleier.

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