

Joe Houchin

Ripped From the Headlines

BY BOB FRIEDMAN

Ripped from the headlines might best describe Joe Houchin's white collar criminal defense and government investigations practice at Kaufman & Canoles – CARES Act/COVID fraud, election and campaign violations, hemp law, health care fraud, drug tax assessments, and military procurement fraud.

He has handled criminal defense cases at Fort Bragg ranging from alleged fraud by defense contractors to theft of government property by military personnel. "There are strict rules and requirements that procurement officers and contractors have to abide by," he said. "A misstep can result in criminal charges for theft of government property or other procurement fraud."

CARES Act Fraud

"The federal government is going to spend a lot of time investigating, uncovering, and then prosecuting [CARES Act] cases," said Houchin.

Its estimated the government was defrauded of \$280 billion from the \$4.2 trillion CARES Act stimulus bill that included the Paycheck Protection Program (PPP), the Economic Injury Disaster Loan program (EIDL), and Economic Impact Payments, among others.

"For the foreseeable future, The DOJ will focus on rooting out instances of egregious fraud like taking out a PPP loan for a company that just plain didn't exist or buying themselves Ferraris and luxury items. Those cases are the easy ones."

Separately, some companies and even loan providers may have unintentional compliance problems due to confusing eligibility rules and applications for CARES Act programs. With first-hand experience, Houchin can relate to the complexity of the process, which provides a unique ability to understand the regulations and help

clients under investigation. "My experience was exactly what these small business owners had to do navigating these regulations, trying to figure out compliance when the rules are vague and ill-defined."

Election Fraud & Campaign Finance Violations

If recent elections are a prelude to the upcoming election cycles, Houchin expects to be busy with election and campaign finance related matters in 2023 and 2024. The State Board of Elections is typically tasked with the initial investigation of election matters, which can span fraudulent voting to campaign finance violations. The SBE can then refer for prosecution where criminal wrongdoing is suspected.

"Increasingly, however, the complaints are very political," Houchin said. "It's not just investigators stumbling over wrongdoing. Complaints may be filed hoping opponents will be subjected to investigation or criminal sanctions. But just because something is political doesn't necessarily mean it's a criminal act. Understanding everybody's motivations is always a big part of those cases."

Video Gaming & Hemp

Houchin also assists business owners in the video gaming and hemp industries. "These are my 'vice' practices," he said. Video gaming includes skill-games where an element of player skill can be the difference between permissibility and illegal gambling."

"The difference between legitimate business operations and criminal conduct is razor thin," said Houchin. "North Carolina is contemplating a regulatory model for video gaming terminals, which, if adopted, should help legitimate businesses with compliance and root out bad actors."



Athlete's Eye View

Although he grew up in Raleigh, Houchin earned his Juris Doctor from the University of Mississippi and a Bachelor of Arts from George Mason University. While at Mason, Houchin was a captain of the swimming and diving team on scholarship.

It gave him a student-athlete's perspective when he helped establish the sports and entertainment practice group at Kaufman & Canoles. As part of the practice, Houchin focuses on NCAA compliance, enforcement, and Name Image and Likeness (NIL) issues.

"Everybody is focused on NIL, signing deals and getting paid," said Houchin. "People have forgotten this is still subject to strict enforcement. Compliance problems can impact the school, the athlete, the booster or the collective, any of which may need an attorney with experience handling government investigations."

Getting the Call

"I like being the guy who gets called upon when someone is facing the biggest problem in their life," said Houchin. "The risks are high. They affect real people. They impact a business's bottom line or even its survivability. You have to care because these cases have real-life implications. Often, you're talking about the potential loss of somebody's liberty and them going to prison."

"It's a huge responsibility and privilege to work with that person to help solve that problem. It's a big part of why I enjoy coming to work every day."

KAUFMAN & CANOLES

4350 Lassiter at North Hills Ave. Suite 350
Raleigh, NC 27609
984-222-8100
www.kaufcan.com