

BEFORE THE HEARING BOARD
OF THE
ILLINOIS ATTORNEY REGISTRATION
AND
DISCIPLINARY COMMISSION

In the Matter of:

DEBRAI GHIRMAI HAILE,

Attorney-Respondent,

No. 6243058.

Commission No. 2024PR00013

COMPLAINT

Lea S. Gutierrez, Administrator of the Attorney Registration and Disciplinary Commission, by her attorneys, Scott Renfroe and Kate E. Levine, pursuant to Supreme Court Rule 753(b), complains of Respondent, Debrai Ghirmai Haile, who was licensed to practice law in Illinois on November 6, 1997, and alleges that Respondent has engaged in the following conduct that subjects him to discipline pursuant to Supreme Court Rule 770:

ALLEGATIONS COMMON TO ALL COUNTS

1. From May 2002 until his termination date of June 22, 2022, Respondent worked at Laner Muchin, Ltd. (“the Firm”) in Chicago, where he practiced labor and employment law. Respondent started at the Firm as an associate, then became an income partner on January 1, 2006, and an equity partner on January 1, 2009. At all times alleged in this complaint, Respondent was an equity partner at the Firm.

2. When an attorney at the Firm becomes an equity partner, they are assigned points that correspond to their presumptive percentage of payout from the Firm’s profits. On an annual and triennial basis, the Firm reviews equity partner compensation, which can be adjusted based on a variety of factors, including hours billed, business generation, and internal equity.

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3. During Respondent's tenure at the Firm, the Firm characterized the ways in which clients were billed for work in multiple ways. A "general matter" or "hourly matter" referred to a fee arrangement in which the client would be asked to pay for the number of hours worked at the hourly rate of the attorney or other legal professional who completed the work. A "retainer matter" referred to a fee arrangement in which the client would be asked to pay a monthly flat fee to the Firm in exchange for which the Firm would perform various types of work requested by the client. A "project matter" referred to a fee arrangement in which the client would pay a flat fee for a particular task (*e.g.*, the drafting of an employee handbook) in an amount based on the estimated size of the task that had been communicated to and approved by the client. Although an attorney would record in the Firm's electronic billing and timekeeping system the number of hours they worked on a project matter, the total hours recorded would not be seen by the client and would have no effect on the approved project fee. However, the total hours recorded were considered by the Firm in relation to the compensation due to the attorney and whether they qualified to be compensated on a full- or half-time basis.

4. During the events alleged in this complaint, the Firm's billing and timekeeping process was as follows: an attorney who performed work on a matter would record their time in the Firm's billing and timekeeping system, and the system would show the attorney the time they recorded to each client matter as well as their total time recorded for the day at the timekeeper's hourly rate, which in Respondent's case was \$440 or, after a rate increase, \$450. Monthly, draft invoices for each client were distributed to the person responsible for the client, known as the billing attorney. The billing attorney would review the draft invoice and, if deemed necessary, return the draft invoice to attorneys who had recorded time on the matter for verification of the time they had recorded or the descriptions of the services they provided. For general matters and

retainer matters, the accounting department would then send the finalized invoice to the client. For project matters, the accounting department would send only one invoice to the client, since the client had agreed in advance to the project fee and the terms of payment. Generally, an attorney would not start work on a project matter until the client paid half of the project fee, with the remaining half to be paid upon completion of the project.

5. From February 23, 2021, through April 15, 2022, in the two project matters described below, Respondent recorded time that he knew was not genuine, in an effort to appear to be more productive than he was. By recording that false time, Respondent continued to be compensated by the Firm as a full-time equity partner rather than as a half-time equity partner, which would have more accurately reflected his actual productivity.

COUNT I – PETROCHOICE
(Creation of False Billing Entries and Misrepresentations to Employer)

6. Between approximately August 2020 and July 2021, Respondent recorded time in the Firm's billing and timekeeping system for legal services he claimed to have performed for Firm client PetroChoice, for which he was the billing attorney. The Firm's accounting department generated invoices for the PetroChoice general matter that reflected the time Respondent purportedly spent working for PetroChoice. Instead of having the accounting department send the invoices to PetroChoice, Respondent told the accounting department that he would send the invoices to PetroChoice himself. However, Respondent never submitted the invoices to PetroChoice, and the invoices remained unpaid.

7. In July 2021, Respondent asked the accounting department to cancel the unpaid PetroChoice general matter invoices and to extract from those invoices time that he had purportedly spent working on an employee handbook for PetroChoice, which he said would be covered by a yet-to-be-determined project fee for the handbook. Per Respondent's request, the

accounting department generated an invoice dated July 1, 2021, which included 69.75 hours that Respondent claimed to have worked on the PetroChoice general matter between July 30, 2020, and June 14, 2021, and put the remaining time that he had purportedly spent on the employee handbook in unbilled status pending Respondent coming to an agreement with PetroChoice about him completing the employee handbook project and the amount of the project fee. Respondent never submitted the July 1, 2021, invoice to PetroChoice, and the invoice remained unpaid.

8. Between July 2021 and January 2022, the accounting department asked Respondent at least nine times whether the project fee for PetroChoice's employee handbook had been determined and the project could be invoiced. On January 28, 2022, Respondent falsely informed the accounting department that he had spoken with PetroChoice about the project fee and that the Firm could bill the project that month.

9. In February 2022, the accounting department generated a project invoice for PetroChoice dated February 1, 2022, for \$35,000, an amount that had been decided by Respondent without approval by PetroChoice. Instead of having the Firm's accounting department send the project invoice to PetroChoice, Respondent again told the accounting department that he would send the invoice to PetroChoice himself. Firm policy would have required Respondent to submit the project invoice to PetroChoice for its formal, written approval of the project fee prior to performing any work on the project. However, Respondent never submitted a project invoice to PetroChoice or otherwise obtained PetroChoice's approval of the \$35,000 project fee. Nor did Respondent ever advise the Firm's accounting department that the project had or had not been approved by PetroChoice.

10. Thereafter, Respondent continued to record hours to the PetroChoice project matter for work he purportedly performed on the employee handbook. Ultimately, the Firm wrote off the

hours Respondent recorded for time he purportedly spent on the PetroChoice general matter and project matter.

11. As discussed more specifically below, between March 2021 and March 2022, Respondent recorded 142 hours for time he purportedly spent working on the employee handbook for PetroChoice. At the time Respondent recorded and submitted the purported time to the accounting department, he knew that the project matter had never been approved by PetroChoice.

12. Respondent recorded in the Firm’s timekeeping system the time he purportedly spent on the PetroChoice handbook in quarter-hour increments. Between March 2, 2021, and March 14, 2022, Respondent recorded 25 separate billing entries totaling 142 hours of purported time he claimed to have spent working on the handbook for PetroChoice, as described in the chart below:

Date	Respondent’s Description of Services He Claimed to Have Provided	Purported Hours Spent
03/02/21	Drafting employee handbook	5.50
03/05/21	Continue drafting employee handbook	6.75
03/10/21	Drafting employee handbook	9.00
03/11/21	Working on employee handbook	8.50
03/12/21	Working on employee handbook	8.50
04/06/21	Review of auto commission and other related employee policies	6.50
06/29/21	Review and revise ADA letter for client	0.50
07/07/21	Drafting handbook	7.50
07/20/21	Review medical notes and advise client re potential employee actions for unplanned absences of truck driver	0.50
07/21/21	Handbook	4.25
07/23/21	Handbook	5.75
08/03/21	Drafting employee handbook	8.00
08/04/21	Handbook	7.50
08/05/21	Drafting employee handbook	7.75
08/09/21	Handbook	4.50
08/10/21	Handbook	7.50
08/16/21	Drafting handbook	5.00
08/27/21	Drafting multi-state handbook	6.25
02/21/22	Drafting drug and alcohol testing policy	6.75
02/22/22	Drafting employee handbook	3.25
02/23/22	Drafting employee policies	3.25

02/28/22	Drafting drug and alcohol testing policy	4.50
03/02/22	Drafting employee policies	4.50
03/10/22	Drafting employee handbook	5.25
03/14/22	Working on employee handbook	4.75
	Total	142.00

13. Respondent's recording of the hours described in paragraph 12, above, was false because he recorded that purported time before he had actually performed any work, and the descriptions of the services Respondent claimed to have provided to PetroChoice, the dates of those purported services, and the amount of time purportedly spent on those services, as described in paragraph 12, above, were false because Respondent had not actually done the work described in his billing entries or spent the time allocated to that work.

14. At the time Respondent prepared the billing entries described in paragraph 12, above, Respondent knew the entries were false because he knew he had not performed the work he described in those entries or spent the time allocated to that work.

15. By reason of the conduct described above, Respondent has engaged in the following misconduct:

- a. conduct involving dishonesty, fraud, deceit, or misrepresentation, by conduct including knowingly making false statements to the Firm by recording time to a fictitious project matter for drafting an updated employee handbook for PetroChoice when he had not in fact drafted an updated handbook, in violation of Rule 8.4(c) of the Illinois Rules of Professional Conduct (2010).

COUNT II – LIONS CLUB INTERNATIONAL
(Creation of False Billing Entries and Misrepresentations to Employer)

16. In 2017, Respondent began working on a project matter, an employee handbook, for Firm client Lions Club, for which Respondent was the billing attorney. On January 14, 2018, final modifications to the Lions Club handbook were made. Lions Club paid the project fee to the Firm and received the handbook. Thereafter, Respondent failed to inform the Firm's accounting

department that the project was completed and that the matter should be closed in the Firm's billing and timekeeping system by the accounting department. Thus, the project matter became dormant in the Firm's billing and timekeeping system.

17. Per Firm policy, to start a new handbook for Lions Club, Respondent would have needed to ask the accounting department to set up a new project matter and generate a new project invoice. However, at no time after January 2018 did Respondent request that the accounting department set up a new project matter for Lions Club or generate a project invoice. Lions Club did not approve or pay a project fee associated with a new handbook.

18. Between February 23, 2021, and April 15, 2022, Respondent recorded 75 billing entries totaling 387.50 hours of time to the dormant Lions Club project matter. Respondent claimed to have spent this time working on an employee handbook for Lions Club, as described in the chart below:

Date	Respondent's Description of Services He Claimed to Have Provided	Purported Hours Spent
02/23/21	Working on employee handbook	4.50
02/24/21	Working on employee handbook	4.50
02/26/21	Drafting employee handbook	4.75
03/01/21	Drafting employee handbook	4.50
03/03/21	Working on employee handbook	5.50
03/04/21	Working on employee handbook	5.50
03/08/21	Working on employee handbook	5.50
03/09/21	Working on employee handbook	5.75
03/15/21	Working on employee handbook	6.25
03/22/21	Drafting handbook	7.25
03/24/21	Working on employee handbook	6.75
03/25/21	Working on employee handbook	6.75
03/29/21	Revising handbook	4.50
04/05/21	Working on handbook	2.75
04/13/21	Drafting handbook	3.50
05/11/21	Working on employee handbook	3.75
05/12/21	Drafting handbook	5.50
05/18/21	Employee handbook	1.50
05/20/21	Working on employee handbook	1.00
05/24/21	Drafting employee handbook	4.50
05/25/21	Working on handbook	6.75
05/27/21	Draft employee handbook	4.50
05/28/21	Drafting handbook	2.75
06/03/21	Working on handbook	4.75
06/08/21	Working on handbook	3.80
06/10/21	Working on handbook	4.75
06/22/21	Drafting handbook	4.50
06/23/21	Handbook	6.00
06/24/21	Drafting employee handbook	6.00
06/30/21	Employee handbook	4.50
07/08/21	Drafting handbook	7.75
07/09/21	Drafting employee handbook	4.50
07/13/21	Drafting employee handbook	3.50
07/14/21	Drafting employee handbook	7.75
07/15/21	Employee handbook	7.50
07/16/21	Employee handbook	4.50
07/19/21	Working on employee handbook	7.25
09/09/21	Working on handbook	5.75
09/13/21	Employee handbook	4.00
09/15/21	Employee handbook	4.50
09/16/21	Working on handbook	3.75
09/28/21	Working on employee handbook	7.00
10/05/21	Drafting employee handbook	4.50

10/18/21	Drafting employee handbook	5.50
10/19/21	Drafting employee handbook	2.25
11/15/21	Drafting handbook	6.50
11/16/21	Drafting handbook	7.50
11/29/21	Drafting handbook	6.75
11/30/21	Drafting handbook	6.75
12/01/21	Drafting handbook	5.50
12/08/21	Employee handbook	7.25
12/14/21	Handbook review	7.25
12/16/21	Working on handbook	4.25
12/21/21	Drafting employee handbook	2.80
12/22/21	Drafting employee handbook	3.75
12/23/21	Employee handbook	2.25
12/27/21	Employee handbook	3.75
01/03/22	Employee handbook	2.20
01/10/22	Handbook	4.50
01/18/22	Draft employee handbook	5.50
01/19/22	Drafting employee handbook	3.75
01/21/22	Working on handbook	6.25
01/24/22	Working on handbook	6.00
01/25/22	Working on handbook	6.50
01/28/22	Working on handbook	3.50
01/31/22	Drafting employee handbook	4.50
02/01/22	Drafting employee handbook	6.25
02/02/22	Employee handbook	7.00
02/04/22	Working on handbook	6.25
02/24/22	Drafting employee handbook	3.75
03/01/22	Employee handbook	7.75
03/08/22	Drafting handbook	7.75
03/22/22	Drafting employee policies	7.50
03/24/22	Draft employee policies	8.20
04/15/22	Drafting employee policies	3.25
	Total	387.50

19. Despite having recorded the time described in paragraph 18, above, in the Firm's billing and timekeeping system, Respondent had not performed any work on the handbook after it was last modified in January 2018. The descriptions of the services Respondent claimed to have provided to Lions Club, the dates of those purported services, and the amount of time purportedly spent on those services, as described in paragraph 18, above, were false because Respondent had not actually done the work described in his billing entries or spent the time allocated to that work.

