



Written by [R. Cort Kirkwood](#) on May 24, 2019

## Prosecutors: Avenatti Ripped Off Porn Star's Book Money

Even as ex porn lawyer Michael Avenatti [was telling the world](#) that then U.S. Supreme Court nominee Brett Kavanaugh was a gang rapist, Avenatti was stealing from the porn star who made him famous.

He used the ill-gotten booty from Stormy Daniels' book deal, [federal prosecutors allege](#) in [Wednesday's indictment](#), to pay for his Ferrari, pay his employees, and buy insurance for his law firm.



But the lies that prosecutors say he told Daniels are not surprising given what he said about Kavanaugh, which Senate Judiciary Chairman Charles Grassley [called a fraud](#) and referred to the FBI.

### Stealing From Stormy

Though Daniels is not identified in the indictment, ABC News confirmed her identity in taking a statement from Avenatti, who denies wrongdoing.

The tough-talking lawyer who once crowed that he would run against Donald Trump in 2020 might well prove [Don Corleone's point](#): "One lawyer with briefcase can steal more than a hundred men with guns."

Avenatti, [prosecutors allege](#), "abused the trust of, defrauded, and stole from [Daniels] by diverting money owed to [Daniels] to [his] own control and use.... After assisting [Daniels] in securing a book contract, AVENATTI stole a significant portion of [Daniels'] advance on that contract. He did so by, among other things, sending a fraudulent and unauthorized letter purporting to contain [Daniels'] signature to [her] literary agent, which instructed the agent to send payments not to [Daniels] but to a bank account controlled by AVENATTI."

Avenatti, the indictment alleges, "repeatedly lied" to Daniels "by stating that he was working on getting the fees from [her] publisher, when, in truth and in fact, AVENATTI had already received the fees and spent them on his own personal and professional expenses." Avenatti "stole" about \$300,000.

The advance agreement, which Avenatti helped negotiate, called for four payments totaling \$800,000. Avenatti, [the indictment alleges](#), "engaged in a scheme to defraud" Daniels and "obtained control over and embezzled" the second and third payments.

### Gotta Pay for That Ferrari

Avenatti embezzled most of the \$175,000 second payment in August 2018, prosecutors allege, by forging Daniels' signature on a letter that instructed her literary agent to send it to Avenatti. Avenatti sent that letter to the agent, who then forwarded \$148,750 — the payment less the agent's fee — to Avenatti.

Avenatti "did not tell [Daniels] that he had received" the payment, [prosecutors allege](#), but instead deposited it into "bank accounts that he controlled for his own personal and business use." Avenatti used \$57,000, prosecutors allege, for payroll, and another "\$20,000 for insurance, airfare, hotels, car services, restaurants and meal delivery, and online retailers."

When Daniels told Avenatti that she hadn't received the payment, he "misleadingly and fraudulently"



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told her he would help her get it.

In September 2018, Avenatti embezzled the third payment, also \$148,750, by telling Daniels' agent, without her knowledge, that the publisher "should make the Third Payment early, even though the Third Payment was not due until publication." The agent told the publisher, "which agreed to make an early payment," the indictment alleges.

Avenatti used that money "to make a monthly lease payment of approximately \$3,900 for a Ferrari" for "\$15,000 in expenses including but not limited to airfare, dry cleaning, hotels, restaurants and meals, and car services," for "approximately \$56,000 in payroll," and for "\$12,000 in payments to an insurance company."

Between October 2018 and February 2019, [prosecutors allege](#), Daniels repeatedly asked Avenatti for help in getting the third payment, prosecutors allege, and Avenatti repeatedly lied about his efforts to get it.

In December, for instance, Daniels asked Avenatti, "when is the publisher going to cough up my money?" Avenatti told Daniels he was "working them and threatening litigation. They need to pay you the money as you did your part and then some."

At the end of the month, when Daniels threatened to send a certified letter to demand the payments and fire her agent, then "post it online for fun," Avenatti told her not to fire the agent because she might need the agent's help when she sued the publishers to recover the payment.

[Said U.S. Attorney Geoffrey Berman](#), of the southern district of New York, "Avenatti abused and violated the core duty of an attorney — the duty to his client.... [H]e blatantly lied to and stole from his client to maintain his extravagant lifestyle."

### **Nike Indictment**

Prosecutors followed that 18-page indictment with [another detailing](#) the extortion charges for which [he was arrested](#) in March.

Prosecutors allege that Avenatti threatened to smear the company publicly if did not pay him \$20 million.

In April, another 36-count federal indictment [alleged that Avenatti](#) "knowingly and with intent to defraud, devised, participated in, and executed a scheme to defraud victim clients."

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