

For John Lakian, legal woes multiply

By [Frank Phillips](#) GLOBE STAFF JANUARY 06, 2016

Ghosts of political figures past, they just keeping giving.

Here's an update on one of the state's most memorable fablers who is shortly headed to the federal dock. John Lakian, the wealthy investor whose political career crashed and burned over fraudulent claims in his personal resume, has lost his first round of legal problems and it will cost him \$21 million.

And that is only the beginning. He is scheduled to be in federal court May 2 in Manhattan to fight charges he and his mistress "lied, cheated, and stole" (that's how FBI described it) when defrauding their partners and investors and lying on bank loan applications.

In a Dec. 30 award, a New York arbitrator ruled against Lakian, ordering him to pay the \$21 million to former partners at Pangea Capital Management. His ruling also minced no words, saying Lakian indulged in "rampant self-dealing" when he pulled off a "scheme to defraud and pillage" Pangea.

"This was a case about greed and how Lakian used his position to perpetrate a massive fraud, breaching his fiduciary duties at every turn to advance his own personal interests at Pangea's expense," said Pangea's lawyer Dean G. Yuzek.

Lakian's lawyer did not respond to a request for comment.

“Only by relentlessly following the money, and through many days of Lakian’s grueling cross-examination, were we able to lay bare what is referred to in the award as a ‘complex scheme’ which rested on the sand of Lakian’s ‘racketeering activities,’ ” added the New York attorney whose speciality is complex commercial litigation.

Lakian and his girlfriend Diane Lamm were arrested last February and charged in a five-count indictment on charges relating to their use of his position as co-managing member of Pangea. The charges allege they forged documents exaggerating their income and assets to secure \$8 million in bank loans.

Don’t these folks on Wall Street read the political clips from Boston? Lakian’s resume embellishments are legendary in Massachusetts politics.

When a young John Lakian, who is now 73, burst into the Republican gubernatorial race in 1982, he generated much excitement. But soon his glossy resume — Harvard graduate, Vietnam veteran who got a battlefield promotion, father killed in World War II — began to unravel, thanks mostly to the Globe’s Walter Robinson’s digging into his background.

His gubernatorial campaign collapsed and his 1994 attempt at political redemption — with a mea culpa and apologies for his deception a dozen years earlier — was even worse. A newly minted candidate Mitt Romney smoked him in the US Senate GOP primary.

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