

At Home In-House

Former Partner Matthew Matule Goes In-House Again, Overseeing Litigation and Disputes for Ericsson

As then-partner **Matthew Matule (BOS/Lit./'96)** approached his 50th birthday and 20th Skadden anniversary, he began considering a career shift. For his next chapter, he envisioned moving abroad and focusing on international litigation, in a position more concerned with strategy than “day-to-day implementation.” When he learned of an opening for a deputy GC role overseeing litigation at Skadden client VEON, the Amsterdam-based holding company for emerging markets telecoms and digital-services providers, it seemed the ideal fit.

“It was a chance to explore some of the world I wouldn’t ordinarily get to see professionally from a U.S.-based practice,” he says. Matt also found it appealing that VEON — then comprised of more than 40,000 employees, with annual revenues of roughly \$9 billion — was restructuring and reimagining its legal function, following a Foreign Corrupt Practices Act investigation and subsequent resolution that included a monitorship. “The global litigation role was brand new, so it provided an opportunity to build the right team from the ground up. During my 13 years as a Skadden partner, I helped lead the Boston office’s Hiring Committee, which I enjoyed almost as much as my legal work. VEON presented a chance to do that on a clean slate.”

The position lived up to Matt’s expectations. Over the next five years, he hired and led VEON’s litigation and internal investigations teams, while his work took him to countries like Algeria, Egypt, Pakistan, Russia and Ukraine, occasionally for long stretches. However, he began to feel a toll from the travel and time away from his wife and three children, who remained in the U.S., at their farm in Vermont and away at boarding school and college. “My family got their taste of international life when they would come for the summer or chunks of vacation,” Matt says. “But after several years of living that way, and

the onset of the pandemic threatening to keep us apart, it made sense for me to return home.”

Back in his native New England, Matt joined another major law firm’s Boston office as a litigation partner. He worked almost exclusively for a single company — the Stockholm-based telecommunications giant Ericsson.

In March 2023, Matt was again enticed to go in-house with a client, joining Ericsson in its newly created global head of litigation and disputes role. His responsibilities include overseeing the company’s entire litigation portfolio and providing senior executives, the board and market-area heads with legal and strategic support.

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new challenge. Thankfully, having served as outside counsel for the company, Matt already was deeply familiar with its operations and legal landscape. “It was very helpful to have had the opportunity to get to know Ericsson before coming on board, because I gained a lot of visibility into how it was positioned and the issues it faced,” Matt says.

Those issues included, as they did at VEON, a major FCPA-based deferred prosecution agreement and monitorship — with Ericsson resolving breaches of its 2019 DPA just as Matt joined the company — and subsequent restructuring of the global legal function. “It’s a bit like doing the same thing all over again — joining an organization in the midst of extreme, interesting and complex issues, with a chance to build legal teams from the ground up — but with a much larger footprint and a very different corporate profile,” Matt says. “I’ve started by empowering my team of excellent lawyers to proactively engage with the business on nascent disputes and also actively hiring additional world-class professionals who want to work on some of the most complex issues faced by a company on the cutting edge of the world’s technological future. My focus is on rebuilding and helping move the company forward.”

Matt’s growing legal team is spread across Europe and the U.S. and engaged in a broad range of litigation, regulatory and other proceedings in jurisdictions around the world. As part of his expansive role, Matt works not only on litigation matters and government investigations, but also on U.S. regulatory

inquiries involving CFIUS, the FCC and the FTC, as well as inquiries by other financial and competition regulatory agencies across the globe. In addition, he spends significant time evaluating risk in connection with companywide business actions while also providing input on policy considerations and the company’s strategic direction.

“What I like most is the incredible diversity of activity,” Matt says. “It runs the gamut from disputes to complicated business decisions to tricky board and audit committee matters.” The international travel that initially drew him in-house continues — Matt divides his time between Ericsson’s Stockholm headquarters, its New York office and traveling as needed to address matters across the globe.

With experience at two leading global law firms and two major international corporations, Matt has rare perspective on the respective pros and cons of such roles. Although he relished the opportunity to return to a firm — he missed, among other things, taking depositions and the thrill of being on his feet in court — he’s excited to be in-house again.

“I love both types of work, but I’m happy to be where I’m at now,” Matt says. “Ericsson provided the opportunity to be involved in something transformational on a worldwide scale and work with professionals I know well and respect. I’m very excited about the company’s future and deeply appreciative of the trust that allows me to play a key role in shaping it.” ■

Skadden Insights

The IRS Is Coming for Partnerships and High Net Wealth Individuals



By Armando Gomez, Kathleen (Kat) Saunders Gregor, Emily M. Lam

The Internal Revenue Service plans to deploy thousands of new hires to expand audits of partnerships and high net wealth individuals. As part of a larger transformation at the agency, it is using some of the \$60 billion in supplemental funding provided by Congress to increase audit activity in areas that largely have been overlooked for many years.

Who Should Be Concerned?

The IRS is likely to focus on tax returns that have the greatest potential for audit adjustments that will yield more tax revenue. The staff does not need to devote audit time to returns that only reflect income from information returns such as wages, interest and dividends. Rather, we anticipate that the IRS will be looking for returns that might reflect complex planning, novel financial products or indicia of wealth, such as:

- Partnership returns that appear to involve tiered partnership structures. Unless the IRS is able to track what is happening at various levels in the structure, it will not know if income is being properly reported. The more complex the structure, the more likely the IRS will want to at least kick the tires through some audits.
- Investment vehicles, including partnerships and trusts, that do not withhold taxes on

U.S. income earned through those vehicles by the foreign investors. If the IRS can show that withholding was required, it can try to recover the tax from the investors or from banks or withholding agents that may have had some responsibility.

- Estate or gift tax returns that appear to reflect low-tax or no-tax transfers of assets to younger generations. Whether through trust structures or aggressive valuation discounts, the IRS has its sights on structures and transactions that minimize taxes on intergenerational transfers.
- Individual returns that show the acquisition or trading of cryptocurrency or other digital assets. The IRS is trying to get its arms around the brave new world of cryptocurrencies, NFTs and similar products. Even if everything is fully disclosed, returns showing significant volumes (or amounts) of digital assets are likely targets for audits.
- Individual returns that reflect the ownership of private aircraft or yachts, donations of appreciated stock or donations of high-value artwork. Anything that smacks of wealth can attract attention, and in our experience tax return mistakes often abound in these areas, making it easy for the IRS to find additional taxes owed.

The IRS often tries to identify a few issues that might yield audit results (*i.e.*, more tax revenue), and then seeks returns to audit that implicate those issues. In the past it has done

this by getting client lists from accountants or other tax advisers that provided the same advice to multiple clients. Now, using AI, the IRS is hoping to take advantage of data streams to connect the dots to find better returns to audit. This could include publicly available information pulled from press releases, Securities and Exchange Commission filings, news stories, blogs or social media, or from charitable giving reports issued by charities.

How Quickly Will the IRS Move on This Initiative?

It will take time for the IRS to hire thousands of new agents, but it is already moving forward with a number of new partnership audit efforts. For example, it announced plans to notify 75 partnerships with average assets of more than \$10 billion that they will face new audits, with notices scheduled to go out by September 30, 2023. We anticipate that these partnerships will include hedge funds and private equity funds, renewable energy partnerships and publicly traded partnerships in various industries. And by the end of October 2023, another 500 partnerships were set to receive letters asking them to explain discrepancies in amounts reported from year to year on their returns.

Excerpted from the fall 2023 edition of *Insights*, our quarterly look at critical legal issues our clients face. To read this article in its entirety, go to skadden.com/insights.