Violations:
Federal violations
The Publicly Traded Company
- **Securities Fraud**: A publicly traded company that uses a fraudulent expert report to mislead investors, the public, or the Securities and Exchange Commission (SEC) can be charged with securities fraud. The company may be in violation of the Securities Exchange Act of 1934 and SEC Rule 10b-5.
- **Obstruction of Justice**: If the report is submitted during a federal investigation or legal proceeding, the company can be charged with obstruction of justice. This is a serious federal felony that involves intentionally impeding a legal process.
- **Aiding and Abetting**: By directing or knowing that the expert witness was concealing evidence, the company can be charged with aiding and abetting the expert's crime.
- **Corporate Malfeasance**: Federal law also addresses broader issues of corporate malfeasance. The concealment of evidence by an expert witness to protect the company would be a serious breach of fiduciary duty and other corporate governance principles.

The Expert Witness
- **Perjury**: An expert witness who testifies under oath about a report that intentionally conceals material, incriminating evidence is committing perjury. Lying in a sworn testimony, whether in court or a deposition, is a federal crime punishable by fines and up to five years in prison.
- **Mail or Wire Fraud**: If the fraudulent report was sent through the mail or via electronic means (email, etc.) as part of the scheme, the expert can be charged with federal mail or wire fraud.
- **Obstruction of Justice**: An expert who helps conceal evidence to impede a federal investigation can be charged with obstruction of justice.
- **Criminal Conspiracy**: If the expert collaborated with company executives or lawyers to commit the fraud, they could face charges for criminal conspiracy.

State violations
The Publicly Traded Company

- **State-level fraud**: The company could face state-level fraud charges for knowingly using a fraudulent report to deceive regulators, courts, or business partners.
- **Civil litigation**: The company would be vulnerable to civil lawsuits for fraud, negligent misrepresentation, or unfair business practices from investors or other parties harmed by the deception.
- **State regulatory action**: State regulatory bodies, such as state securities boards, can launch investigations and impose sanctions on the company.

The Expert Witness

- **Perjury**: In addition to federal charges, the expert could face state-level perjury charges for providing false testimony under oath during state legal proceedings.
- **Professional malpractice**: Depending on the state, an expert witness may be sued for professional malpractice by the company that hired them if their negligent or fraudulent work led to financial loss. Some states have expanded this to include liability to the opposing party in some cases.
- **Disciplinary action**: The expert's professional licensing board can take disciplinary action, including suspension or revocation of their professional license.
- **Criminal penalties**: State laws can also provide for criminal penalties for falsifying evidence, obstructing justice, or committing fraud.

Consequences for lawyers

The lawyers involved could also face serious consequences if they were aware of the fraud.

- **Suborning perjury**: An attorney who knowingly presents false testimony, including a fraudulent expert report, is suborning perjury, which is a crime.
- **Ethics violations**: Under the American Bar Association's Model Rules of Professional Conduct, a lawyer may not unlawfully obstruct access to evidence or falsify evidence. A breach of these rules can lead to disciplinary action, including disbarment.
- **Sanctions**: A court can impose severe sanctions, including monetary fines, exclusion of the expert's testimony, or dismissal of the case, if it finds that lawyers knowingly presented fraudulent evidence.