



# UNITED STATES ATTORNEY'S OFFICE

## *Southern District of New York*

U.S. ATTORNEY DAMIAN WILLIAMS

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<http://www.justice.gov/usao/nys>

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### **Real Estate Businessman And Lawyer Arrested In Connection With Campaign Finance Scheme**

Damian Williams, United States Attorney for the Southern District of New York, Michael J. Driscoll, Assistant Director-in-Charge of the New York Field Office of the Federal Bureau of Investigation ("FBI"), and Daniel G. Cort, Acting Commissioner of the New York City Department of Investigation ("DOI"), announced the unsealing of an Indictment charging GERALD MIGDOL with conspiracy to commit wire fraud, wire fraud, and aggravated identity theft in connection with a scheme to misrepresent and conceal the sources of political campaign contributions. MIGDOL was arrested this morning and will be presented before United States Magistrate Judge Ona T. Wang later today. The case is assigned to United States District Judge J. Paul Oetken.

U.S. Attorney Damian Williams said: "Free and fair elections are the foundation of our democracy, and campaign finance regulations are one way communities seek to ensure everyone plays by the same rules. As alleged, Gerald Migdol and others tried to divert taxpayer dollars from New York City's matching funds program to a particular candidate based on fraudulent campaign contributions. My Office remains vigilant against such attempts to defraud the public."

FBI Assistant Director Michael J. Driscoll said: "Public programs, such as the one Migdol allegedly defrauded, exist to provide support for New Yorkers who want to represent their city in elections, but find themselves without the means to do so. Illegally subverting the requirements to be eligible for these funds is detrimental to our ability to hold a free and fair election and is a federal offense."

Acting DOI Commissioner Daniel G. Cort said: "Obtaining fraudulent donations for a political candidate that will ultimately be used to secure matching funds undermines the fair and honest public financing of elections. DOI thanks its partners on this matter, the office of the United States Attorney for the Southern District of New York and the Federal Bureau of Investigation."

According to the allegations in the Indictment and information in the public record<sup>1</sup>:

From at least in or about October 2019, through at least in or about January 2021, GERALD MIGDOL orchestrated and participated in a scheme to misrepresent and conceal sources of

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<sup>1</sup> As the introductory phrase signifies, the entirety of the text of the Indictment, and the description of the Indictment set forth herein, constitute only allegations, and every fact described should be treated as an allegation.

contributions made during the 2021 election cycle to the campaign of a candidate for New York City Comptroller (“Candidate-1”), fraudulently attempting to procure public funds for Candidate-1 from the campaign finance program overseen by the New York City Campaign Finance Board (“CFB”). That campaign finance program included, among other things, a “matching funds program” that provided eligible candidates with public funds based on the number and amount of certain donor contributions. According to the CFB, “[b]y matching their contributions with public funds, the [p]rogram empowers New Yorkers in every neighborhood to make their voices heard in city elections” and “[b]y encouraging candidates to raise small-dollar contributions from average New Yorkers, the program increases engagement between voters and those who seek to represent them.”<sup>2</sup>

Candidates running for the office of New York City Comptroller were eligible to participate in the matching funds program if they met certain criteria, and eligible candidates could receive up to approximately \$3.4 million in public matching funds based on qualifying contributions. Candidate-1 filed a certification with the CFB in or about September 2019, becoming a candidate for the office of the New York City Comptroller and opting in to the CFB’s matching funds program. Thereafter, MIGDOL and others conspired to obtain fraudulent contributions for Candidate-1 that would be used, among other things, to seek public matching funds from the CFB. A number of those contributions were “nominee contributions,” in which money was given to Candidate-1’s campaign under one contributor’s name, but in reality the money for the contribution came from, or was reimbursed by, another person. Other contributions obtained at MIGDOL’s direction were fraudulently made in the names of individuals who, in fact, had never authorized those contributions.

Through these and other efforts, MIGDOL and others involved in the scheme procured nominee and other fraudulent contributions for Candidate-1’s campaign, which in turn were submitted to the CFB by Candidate-1’s campaign in connection with requests for at least tens of thousands of dollars in additional public matching funds.

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MIGDOL, 71, of New York, New York, is charged with one count of conspiracy to commit wire fraud and one count of wire fraud, each of which carries a maximum sentence of 20 years in prison, and one count of aggravated identity theft, which carries a mandatory consecutive sentence of two years in prison. The statutory maximum penalties are prescribed by Congress, and are provided here for informational purposes only, as any sentencing of the defendant will be determined by the judge.

Mr. Williams praised the outstanding investigative work of the FBI and DOI. This case is being handled by the Office’s Public Corruption Unit. Assistant United States Attorneys Jarrod L. Schaeffer, David Abramowitz, Tara La Morte, and Alison Moe are in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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<sup>2</sup> <https://www.nycfb.info/program/benefits>.