



Department of Justice

Acting United States Attorney David C. Weiss
District of Delaware

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CONTACT: KIMBERLYNN REEVES
PHONE: (302) 573-6277, ext. 16287

DELAWARE BUSINESSMAN PLEADS GUILTY TO CAMPAIGN FINANCE VIOLATIONS AND TAX CHARGES

David C. Weiss, Attorney for the United States, Acting Under Authority Conferred By 28 U.S.C. § 515, Richard A. McFeely, Special Agent in Charge of the Baltimore Field Office of the Federal Bureau of Investigation, and Eric Hylton, Special Agent in Charge of the Philadelphia Field Office of the Internal Revenue Service - Criminal Investigations, announced that Christopher J. TIGANI, age 40 of Wilmington, Delaware, waived indictment and pleaded guilty to a four-count Criminal Information charging him with two counts of violating the Federal Election Campaign Act (2 U.S.C. §§ 441b(a) and 441f), and two counts of making a materially false statement on an income tax return (26 U.S.C. §7206(1)). The maximum penalties are a term of imprisonment of five years for each election offense, and a term of imprisonment of three years for each tax offense, for a total maximum penalty of sixteen years imprisonment.

According to court documents and facts disclosed at the hearing, TIGANI, the former President of N-K-S Distributors, Inc. ("NKS") directly and indirectly solicited numerous NKS employees to make political contributions to candidates running for the offices of President of the United States; the United States Senate; Governor of the State of Delaware; Lieutenant Governor of the State of Delaware; Treasurer of the State of Delaware; the Delaware Senate; and the Delaware General Assembly. TIGANI used company non-payroll checks to reimburse these third-party conduits for the federal and state campaign contributions they made on behalf of TIGANI and the company. In this respect, TIGANI illegally bundled campaign contributions in contravention of state and federal contribution limits, and violated the federal ban against direct corporate contributions. To date, the investigation has uncovered that TIGANI caused himself, company employees, and other related parties to bundle at least \$219,800.00 in illegal campaign contributions to federal and state candidates.

The Federal Election charges relate to illegal corporate and conduit campaign contributions to a campaign committee for a candidate running for the Office of President of the United States. In calendar year 2007, TIGANI caused third-party donors to make illegal contributions to the campaign committee in the amount of \$70,400.00. On most occasions, the third-party donors contributed the maximum amount of \$2,300 permitted during the 2008 federal election cycle. TIGANI further admitted that he contributed and caused four NKS employees to each make additional illegal contributions in the amount of \$10,000.00 to a Delaware state

committee of a major political party, for a total amount of \$50,000.00, in advance of the 2004 Delaware gubernatorial election.

In addition, TIGANI pleaded guilty to making materially false statements on his income tax return for the tax years 2005 and 2006. TIGANI admitted that, in 2005 and 2006, he caused the NKS Controller to create false accounting entries in the NKS books and records in order to artificially increase the funds available in his officer loan account. Moreover, TIGANI deposited in his personal bank account third-party checks that had been given to him to satisfy obligations to NKS. The false accounting entries and third-party checks permitted TIGANI to generate income that he failed to report, thus leading him to make false statements on his 2005 and 2006 federal income tax returns. The total amount of tax loss to the United States is \$361,426.00.

First Assistant United States Attorney David C. Weiss stated, "Federal election laws are designed, in part, to promote transparency and curb the exercise of improper influence. As part of his plea agreement, Mr. Tigani admitted to bundling contributions of NKS employees to circumvent these laws and corrupt the election process for his benefit and the benefit of his company. Mr. Tigani further admitted to using NKS corporate coffers as his private piggy bank, thereby substantially underreporting his income on his 2005 and 2006 income tax returns. Today's plea insures that Mr. Tigani will be held accountable for his actions."

FBI Special Agent-in-Charge Richard A. McFeely stated, "Individuals who seek to circumvent federal election laws undermine the entire election process and deny a level playing field for all candidates. The FBI takes these offenses very seriously. This investigation is far reaching and still active and ongoing. The FBI encourages anyone with information regarding corrupt public officials or illegal campaign activities to contact the FBI or the U.S. Attorney's Office."

Special Agent in Charge Eric Hylton, IRS Criminal Investigation stated, "The prosecution of individuals who intentionally conceal income and evade taxes is a vital element in maintaining public confidence in our tax system. IRS Criminal Investigation was also glad to assist our law enforcement partners with investigating possible violations of the Campaign Finance Act. It is only fair to all Americans that Mr. Tigani be called upon to give an account for his alleged misconduct."

This case is being prosecuted by Assistant United States Attorney Robert F. Kravetz. For further information, contact Public Information Officer Kimberlynn Reeves at (302) 573-6277, ext. 16287.
