



M U L T I S T A T E

### [U.S. Charges Manhattan Developer in Campaign Finance Scheme](#) (New York)

A Manhattan real estate developer was charged on Friday with scheming to conceal contributions to a candidate in this year's New York City comptroller's race in a bid to get as much public financing for the candidate as possible.

The developer, Gerald Migdol, arranged for dozens of donations to be made to the campaign in the names of people who had not authorized the payments, according to an [indictment unsealed](#) on Friday by federal prosecutors in Manhattan.

One contribution that prosecutors said Mr. Migdol arranged, a \$250 money order, was made in the name of a relative who is a minor, prosecutors said.

The indictment does not name the candidate Mr. Migdol sought to help. But the details of the case and publicly available information suggest it is Brian A. Benjamin, a Democrat who ran unsuccessfully for comptroller and is now New York's lieutenant governor.

The indictment does not indicate that the candidate knew of the scheme.

Mr. Migdol, 71, was arrested early Friday on charges of wire fraud, conspiracy to commit wire fraud and aggravated identity theft, officials said. He pleaded not guilty in an arraignment on Friday in Federal District Court in Manhattan and was released on bond. The wire fraud charges carry a maximum sentence of 20 years in prison.

"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," Damian Williams, the U.S. attorney for the Southern District of New York, said in a statement.

Reached by phone after Mr. Migdol's arraignment, Joel Cohen, his lawyer, said his client had pleaded not guilty "and that's appropriate."

“That says what we need to say,” Mr. Cohen added.

A man who answered the phone at Mr. Migdol’s family-run real estate company, the Migdol Organization, declined to comment. The company, which is based in Harlem, owns and operates residential properties across New York City.

In a statement, a spokesman for Mr. Benjamin’s comptroller campaign said that “neither Lieutenant Governor Benjamin nor his campaign are being accused of any wrongdoing and they are prepared to fully cooperate with authorities.”

The spokesman added that “as soon as the campaign discovered that these contributions were improperly sourced, they donated them to the campaign finance board.”

The office of Gov. Kathy Hochul referred all questions to Mr. Benjamin’s campaign. Ms. Hochul [chose Mr. Benjamin as her lieutenant governor in August](#) after she succeeded Andrew M. Cuomo.

Mr. Migdol’s family has long supported Democratic candidates, according to the [Migdol Organization website](#), which includes photos of family members with Mr. Benjamin and other politicians.

Several Migdol family members, including Gerald Migdol, contributed to Mr. Benjamin’s campaign under their own names, campaign finance records show.

The contributions at issue in the case against Mr. Migdol, the indictment says, were meant to allow the candidate’s campaign to qualify for public-matching funds through the city’s campaign finance system, potentially unlocking tens of thousands of dollars in additional money. The scheme ran from November 2019 to January 2021, the indictment says.

A few of the contributions mentioned in the indictment were given to the campaign by a person at Mr. Migdol’s direction, prosecutors said. The indictment does not name the person, who is identified only as CC-1. The indictment also cites other unnamed “co-conspirators.”

Mr. Migdol, prosecutors said, explained the scheme in a message to the unnamed people in July 2020, describing how the city’s public-financing system could multiply their contributions eightfold.

“We get 8x1 for money orders of \$100,” the message said, according to the indictment. “For Money orders of \$250=8x1 for first \$100 and the other \$150 is not matched. So a MO for \$250 is worth \$950 for [Candidate-1]. Hopefully our next City Comptroller.”

A biography of Mr. Migdol on his company’s website says he has been involved in the real estate business in New York City for more than 40 years, primarily in Harlem and the Bronx.

Mr. Migdol told [The New York Post in 2006](#) that he started buying brownstones in Harlem in the early 2000s when they were selling for several hundred thousand dollars, far less than the prices such buildings can fetch today.

In October 2019, Mr. Migdol received a community leadership award in Harlem that described him as “a true Harlem legend.” He said [in his acceptance speech](#) that Mr. Benjamin had nominated him for the award.

“I am grateful to my new friend — our great State Senator Brian Benjamin,” Mr. Migdol said [in the speech](#), which his company posted on its website. “At first glance my nomination would not normally be a popular choice. He then said but for the fact that what you guys do here is worthy of being honored.”

Mr. Benjamin, a former state senator from Harlem, placed fourth in the Democratic primary for comptroller, well behind the winner, Brad Lander, a City Council member from Brooklyn.

Many of the details in the indictment were first reported in January by [the news website The City](#), including that several people whose names were listed on donations to Mr. Benjamin’s campaign said they had not made the payments.

One donation reported by The City was a \$250 contribution made in the name of Mr. Migdol’s 2-year-old grandson.

### [\*\*Accusations against a California campaign finance watchdog went undisclosed for months\*\*](#) (California)

A campaign finance investigation against a top official at California’s political watchdog agency sat in limbo and hidden from public view for months, raising questions about whether the government organization holds its own members to the same standard as candidates and campaigns across the state.

The complaint against Catharine Baker, a member of the California Fair Political Practices Commission and former Republican legislator, was filed in April with the agency’s enforcement

division. On Nov. 12 — the same day The Times requested information regarding the case — the FPPC enforcement division recused itself from the investigation and asked Atty. Gen. Rob Bonta to assume control.

“I’m very surprised by this,” said Bob Stern, former FPPC general counsel. “The question then becomes, what other cases are they not disclosing? Is this one bad example or typical of how they are operating?”

Fair Political Practices Commission Chairman Richard Miadich said he instructed staff members months ago to move the case to the attorney general and provided a copy of an email dated April 29 confirming that directive. But he said he didn’t know why the transfer of the case didn’t happen until just a few days ago.

“We have never had a situation where a sitting commissioner has had a complaint filed against them,” Miadich said Monday. “We needed some time to do our homework.”

A statement from Bonta’s office confirmed receipt of the documents but offered no other details.

Baker was appointed to the commission last December, one of five members who oversee the implementation and enforcement of California campaign finance laws. She served in the state Assembly from 2014 to 2018 representing portions of the eastern Bay Area and disputes the allegations contained in the anonymous complaint, submitted through the FPPC’s online system in April.

“The anonymous complaint is incorrect, both on the facts and on the law,” Baker said in a phone interview.

At issue is whether she failed to properly file paperwork related to a possible 2030 campaign for the state Assembly and whether additional disclosure of donors was required when transferring \$125,000 in leftover funds from her 2018 campaign committee to an account for a possible future campaign.

“Our filings were complete and accurate and filed on time with the advice of legal counsel to ensure full compliance,” she said.

Complaints made against political candidates and campaigns are reviewed by the state commission’s enforcement staff. If an investigation is launched, FPPC officials inform the parties in question and disclose the inquiry in an online system the public can access.

But after the staff examination into Baker's activity began, the information was not displayed in the online database. Miadich told The Times that the agency's "transparency portal" is designed to provide information on cases under the commission's jurisdiction and that, in this case, the information being gathered by FPPC staff members didn't fall under that category.

"At no point were we actively investigating this complaint," he said.

On Nov. 12, The Times asked the commission's press office whether an investigation into Baker was underway and, if so, the status of the inquiry. That same day, Chief Enforcement Officer Angela Brereton sent a letter to Bonta asking his department to take over the case.

"Because Commissioner Baker is currently in office, the Commission is recusing itself from this matter," Brereton wrote, also noting that FPPC staff members "have not made any determination" on whether Baker had violated state campaign finance regulations.

Miadich said Monday that Brereton could have made clear that plans to transfer the case had been in the works for some time.

"I think it would have been helpful for her to contextualize that letter," he said.

Stern, a co-author of California's landmark Political Reform Act, said that the commission's actions could be perceived to some as giving Baker special consideration and that FPPC investigators should have quickly handed the case over to Bonta.

"It's all appearances," he said. "You don't want to be investigating your own agency, particularly commissioners."

**['Exploiting a loophole': PACs tied to Missouri lobbyist draw new criticism](#)** (Missouri)

One day earlier this month, a company called Phoenix Home Care cut \$120,000 worth of checks to six different Missouri political action committees.

A few months earlier, a pair of companies suing the state to block a crackdown on unregulated slot machines combined to [drop \\$350,000 into the same six PACs](#).

The companies and all six PACs have a connection: veteran statehouse lobbyist Steve Tilley.

The pattern — Tilley’s lobbying clients spreading donations among the constellation of PACs he has long been connected to — has begun raising serious concerns among campaign finance watchdogs.

Corporations are banned from giving directly to candidates in Missouri. And contribution limits cap how much a candidate can take from an individual or PAC.

Setting up multiple PACs opens the opportunity to skirt those regulations.

“This appears to be a way of cleverly exploiting a loophole in campaign finance law,” said Benjamin Singer, CEO of [Show Me Integrity](#), a nonpartisan coalition focused on ethics in state government.

Questions swirling around how Tilley navigates Missouri’s campaign finance laws is nothing new. The former lawmaker and longtime adviser to Gov. Mike Parson [was once the inspiration for legislators to change state law](#) to specifically target some of his practices.

But in the years since, Tilley has continued to draw scrutiny — including from the FBI.

“I am not sure what to say about this except that Mr. Tilley has a long history of this kind of seriously gray area financial manipulation,” said [Wally Siewert](#), a former professor of public ethics who serves as director of civic engagement for FOCUS St. Louis.

Tilley did not respond to a request for comment, but later tweeted that criticism of the PACs was “laughable.”

### *Loopholes*

It’s not unusual for lobbying firms in Jefferson City to set up a single PAC to allow clients to donate. And some groups deploy multiple political action committees, such as how [the Missouri Bank Association](#) has statewide and regional PACs or labor unions have state and local affiliates.

But Tilley is connected to six PACs — MO Majority PAC, Missouri Growth PAC, Missouri C PAC, Missouri Senior PAC, Missouri AG PAC and Conservative Leaders of Missouri.

Last year, each was largely funded by Tilley’s various clients. And each donated to numerous candidates in the run up to the 2020 election.

For example, on Sept. 9, 2020, Missouri House Majority Leader Dean Plocher reported three contributions from Tilley-connected PACs — \$2,000 from Missouri Growth PAC; \$2,000 from MO Majority PAC; and \$500 from Missouri Senior PAC.

A month earlier, state Rep. David Gregory, who is now a candidate for state auditor, received a \$2,000 check from MO Majority PAC and a \$2,600 check from Missouri C PAC.

State candidates are currently banned from accepting [individual donations larger than roughly \\$2,600](#).

Under federal law, when two or more committees are affiliated, they [share a single limit on the contributions they make to candidates and other political committees](#).

Missouri does not have a similar law, said Liz Ziegler, executive director of the Missouri Ethics Commission, the agency that enforces Missouri campaign finance law.

Missouri has language in its constitution banning someone from making a donation to a PAC with the intent to conceal the identity of the actual source of the money, Ziegler said. But otherwise, the general rule is that contribution limits apply to contributions PACs give, she said, not contributions given to PACs.

Tilley's PACs should be a cause of concern for Missouri regulators, said Patrick Llewellyn, director of state campaign finance at the Washington, D.C.,-based Campaign Legal Center.

“Allowing corporations to direct their funds to candidates through intermediaries, such as PACs, seriously undermines a ban on corporate contributions to candidates,” he said.

### *FBI scrutiny*

Tilley resigned from the legislature in 2012 to become a lobbyist and political consultant. When he did, he still had a massive campaign war chest of more than \$1 million.

He invested most of that campaign money in shares of a closely-held bank located in his hometown of Perryville. Over the years, he also used the money to donate to candidates, many of whom would then hire his firm to advise their campaigns.

In 2016, lawmakers approved legislation limiting the ways in which money in a campaign committee can be invested and banning elected officials from holding on to their campaign money if they become lobbyists.

Under the law, former elected officials have to dissolve their campaign committee if they register as a lobbyist with the Missouri Ethics Commission. Any money they have has to be returned to donors, given to charity or donated to a political party organization. No campaign funds could be invested in businesses or hedge funds.

Tilley responded to the law change by shifting campaign funds to a newly created non-candidate committee, which eventually spawned other committees.

The six Tilley PACs have been embroiled in controversy before.

In 2017, one of Tilley's clients, Gardner Capital, donated to four of his PACs. Those PACs then made donations that combined to total \$10,000 to Independence Mayor Eileen Weir.

Just days after the donations, Weir and the city council voted to spend nearly \$1 million to buy a golf course for a solar farm in a joint venture with Gardner Capital. The money used to purchase the golf club came from another Tilley lobbying client, the city's utility, Independence Power & Light.

Numerous officials in Independence would subsequently report [being questioned about the donations and the contract](#), though everyone involved denied any wrongdoing. Last year, the FBI requested records from Independence officials, and a federal [grand jury issued a subpoena](#).

Tilley has continued to receive FBI attention regularly over the years for myriad reasons, from his role in the state's medical marijuana industry to, in more recent months, an ambulance contract in Cole County.

An employee at Tilley's lobbying firm recently told the St. Louis Post-Dispatch that the firm's attorneys spoke with the FBI and determined [none of the lobbyists are under investigation](#).

Rebecca Wu, spokeswoman for the FBI's St. Louis field office, said in an email to The Independent that it is "the long-standing policy of the U.S. Department of Justice that the FBI does not confirm or deny the existence of an investigation."

**[Illinois State Lobbying Law to Apply to Localities and Other Notable Changes](#)**  
(Illinois)

On October 8, the Illinois governor signed [SBO539](#), which will significantly amend the state's lobbying law effective January 1, 2022.

Most notably, state lobbying law will now apply to all local jurisdictions with populations of 500,000 or less. Effectively, only the City of Chicago's lobbying law will not be preempted. This means that lobbying officials at the municipal, county, or township government level, including mayors, may now trigger state lobbyist registration and reporting. Registrants should be aware that local lobbying expenditures will now be reportable on state reports.

Additionally, registrants are now required to list retained "consultants" on their registrations, and must also disclose reportable lobbying expenditures made by the consultant for the lobbying entity. "Consultant" means "any natural person or entity who, for compensation, provides advisory services, including but not limited to, rendering opinions on or developing strategies for lobbying or influencing, to a lobbyist or lobbying entity for the ultimate purpose of influence any executive, legislative, or administrative action." The term excludes employees of lobbyists and lobbyist entities, as well as attorneys and law firms providing legal services. The new law explicitly confirms that consultants who lobby must themselves register as lobbyists.

Lobbyists must now complete their ethics and anti-sexual harassment training programs before registration is deemed complete, whereas before they had 30 days after registering to do so.

Finally, the new law amends the definition of lobbying to include "the soliciting of others to communicate." While this language is typically used to regulate indirect, or grassroots, lobbying, Illinois continues to separately define "Grass Roots Lobbying Communications" by regulation. The state has not indicated how it will reconcile the new definition of lobbying with the current grassroots lobbying regulation, although, on its face, the definition of lobbying has been expanded in the statute. Wiley will continue to monitor any further developments related to the state's regulation of grassroots lobbying activity.

### **[El Paso County GOP accused of breaking campaign finance laws by its own Vice Chair](#)** (Colorado)

High ranking Republican Party members in El Paso County say tens of thousands of dollars and high price auction items are missing following a fundraiser.

El Paso County GOP Vice-Chair Karl Schneider filed a complaint with the Secretary of State's Office on Tuesday. He accuses the El Paso County GOP and Chair Vicki Tonkins of breaking campaign finance laws.

In the complaint obtained by 13 Investigates, Schneider alleges the party's failure to report expenditures or contributions for the Lincoln Day Dinner on August 6th. The keynote speaker for that fundraising event was Georgia Congresswoman Marjorie Taylor Greene.

"We know this was a very successful dinner," said Schneider in a letter to Kristi Burton Brown Chair of the Colorado Republican Committee. "It was attended by over 400 people with many auction items, and allegedly grossed approximately \$50,000. All receipts should be properly accounted for."

According to emails in the complaint, then-treasurer of the El Paso County GOP John Pitchford told high ranking members of the party on Oct. 1 that he was having difficulty finding accurate records from the event, and requested a 'full inventory of all Lincoln Day items sold and unsold.'

"I don't understand what's going on. There seems to be a lot of instability," said Schneider to 13 Investigates on Wednesday. "There were missing (auction) items. Some high-dollar value jewelry. (The treasurer) was unable to account for donations."

The El Paso County GOP Vice Chair tells 13 Investigates he doesn't know where at least \$50,000 in fundraising money currently is.

In the complaint, Schneider says he is concerned the 'party has violated and is violating the Fair Campaign Practices Act.'

Eleven days after the initial email asking for a complete inventory of the items, Pitchford announced his retirement to the El Paso County GOP leadership via email.

Schneider says El Paso County GOP Chair Tonkins has ignored any requests to hand over receipts from the fundraising event.

"It is very important we have a full detailed audit of all the monies collected and all the donations collected," said Schneider. "We make sure they are accounted for and we can move forward from there."

Schneider is now calling a for a special session for the El Paso County Republican Executive Committee to discuss the missing campaign funds and auction items. So far, Schneider says the party chair has ignored these calls.

13 Investigates reached out to El Paso County GOP Chair Vickie Tonkins multiple times. She did not respond.

The Colorado Secretary of State's Office is currently reviewing the complaint. They have ten business days to review it. 13 Investigates reached out to the Secretary of State's Office to ask what comes after a determination is made. We are still waiting on a response.