

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 vs.) Criminal Action No. 11-
)
 CHRISTOPHER J. TIGANI,)
)
 Defendant.)

INFORMATION

The Attorney for the United States, Acting Under Authority Conferred By 28 U.S.C. § 515,
charges that:

GENERAL ALLEGATIONS

At all times material to this Information:

1. CHRISTOPHER J. TIGANI (“TIGANI” or “defendant”), the defendant herein, was the President of N-K-S Distributors, Inc. (“NKS”).
2. NKS was a liquor distributor located in New Castle, Delaware, with operations extending throughout the state. NKS was the exclusive distributor in Delaware for numerous alcoholic beverage companies, including Anheuser-Busch In Bev (Budweiser products), Crown Imports (Corona products), and Boston Beer (Samuel Adams products).
3. The Federal Election Campaign Act of 1971, as amended, Title 2, United States Code, Sections 431 through 455 (the “Campaign Act”), regulates financial activity intended to influence the election of candidates running for federal office.
4. Among other things, the Campaign Act establishes limits on the amounts individuals may contribute to individual candidate political campaign committees; multi-candidate political campaign

committees (commonly referred to as political action committees, or PACs); and to political committees established and maintained by a State committee of a political party. At all times material to this Information, the individual contribution limits were \$2,300.00 to individual candidate political campaign committees; \$5,000.00 to political action committees; and \$10,000.00 to political committees established and maintained by a State committee of a political party.

5. The Campaign Act also prohibits corporations from making any political contributions, and prohibits any officer of a corporation from consenting to such contributions. The Campaign Act's ban on corporate contributions is designed to prevent individuals from hiding behind the corporate form in order to make contributions in excess of the legal limits on personal contributions.

6. The Campaign Act further prohibits a person from making a political contribution in the name of another person, including giving funds to a third party for the purpose of having the third party pass the funds on to a federal candidate as if it was his or her own contribution. The Campaign Act similarly prohibits a person from reimbursing a donor who has already given to a candidate, thereby converting the donor's contribution to his or her own.

7. The Federal Election Commission ("FEC") is an agency of the United States Government entrusted with the responsibility of administering and enforcing the Campaign Act. In order to deter abuses and instill public confidence in the election process, the FEC is responsible for making available to the public specific information about the amounts and sources of political contributions to federal candidates and their campaign committees.

8. Pursuant to the Campaign Act, the FEC requires campaign committees and political action committees to file periodic reports of receipts and disbursements identifying, among other things, each person who made a contribution to such committee during the relevant reporting period whose

contribution or contributions had an aggregate value or value in excess of \$200 within the calendar year, together with the date and the amount of any such contribution. These reports are made publicly available to provide citizens with a transparent record of all contributions to candidates for federal office. As such, they often are the only public window into the sources of funding for federal election campaigns.

THE ELECTION FRAUD SCHEME

9. As President of NKS, TIGANI sought to increase his company's influence over matters of importance to NKS throughout the State of Delaware. For NKS, the largest alcohol distributor in Delaware, such matters included supporting legislation to authorize the sale of alcohol beverages on Sundays, and opposing legislation to increase alcohol excise taxes and estate taxes.

10. TIGANI also sought to utilize his company's influence to obtain two parcels of land in Milford, Delaware, via a sixty-six year lease entered into with the Delaware Department of Transportation ("DelDOT").

11. In an effort to better position himself to exercise this influence, from at least October 2003, and continuing through December 2008, in the District of Delaware and elsewhere, TIGANI knowingly and willfully caused NKS to make contributions through third-party conduits to campaign committees of numerous candidates for federal and state office in violation of the Campaign Act, as well as Delaware law.

12. Aware of the strict limits on individual federal and state campaign contributions – and the outright ban on federal corporate contributions – TIGANI directly and indirectly solicited numerous individuals, including NKS employees, their spouses, and other associates, to make federal and state campaign contributions to numerous political candidates, including to campaign committees for

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 NKS non-payroll checks to reimburse contributors for the campaign contributions they made at the behest of TIGANI and NKS.

13. By so doing, TIGANI caused campaign committees to submit false reports to the FEC and the Delaware Office of the State Election Commissioner ("Delaware Commissioner of Elections"), which indicated that lawful contributions were made by individuals other than TIGANI and NKS to the respective candidates and committees, when in fact, as TIGANI well knew, it was TIGANI and NKS that had made unlawful contributions to these candidates and committees and not the conduits listed in the reports filed with the FEC and the Delaware Commissioner of Elections.

14. The purpose of the scheme, therefore, was two-fold. First, TIGANI sought to conceal from the FEC, the Delaware Commissioner of Elections, and the public the fact that TIGANI and NKS were contributing funds to federal and state campaigns far in excess of the prescribed limits. At the same time, TIGANI sought to curry favor by making sure that the campaigns knew that the contributions were associated with TIGANI and NKS. TIGANI did so by, among other things, using individuals associated with NKS as conduits; hosting fund-raising events in which he or his associates delivered the contributions; volunteering NKS employees to make fundraising calls on behalf of candidates; allowing a federal campaign to utilize NKS offices to make phone calls for fundraising purposes; providing free alcohol for state fundraising events; and arranging for federal and state candidates and campaign representatives to pick up bundled campaign contributions directly from NKS headquarters.

15. It was further part of the scheme that TIGANI and NKS provided additional in-kind contributions to federal and state candidates and campaign committees, including free alcohol for political fundraising events. NKS and TIGANI did not seek, nor were they reimbursed, for providing alcohol to candidates and campaign committees for fundraising purposes.

FEDERAL ELECTION VIOLATIONS

16. In or around September and August 2004, TIGANI caused four NKS employees to each contribute \$10,000.00 to a Delaware State Committee of a major political party ("THE STATE COMMITTEE"), for a total employee contribution amount of \$40,000. TIGANI also contributed \$10,000.00 to THE STATE COMMITTEE in his own name. TIGANI caused NKS to reimburse each of the four employees with a \$10,000 NKS non-payroll check to cover the cost of the contributions.

17. In or around May 2006, TIGANI caused two NKS employees to each contribute \$500.00 to CAMPAIGN COMMITTEE B, a campaign committee in support of a candidate for the United States Senate. TIGANI caused NKS to reimburse each employee with NKS non-payroll checks to cover the cost of the contributions.

18. In calendar year 2007, TIGANI directed or otherwise caused at least twenty-nine (29) NKS employees, their spouses, and other associates to make approximately forty-one (41) federal campaign contributions to CAMPAIGN COMMITTEE A, a campaign committee in support of a candidate for the Office of President of the United States.

19. In particular, on or about August 28, 2007, defendant held a "fundraiser" for NKS employees that was ostensibly for the purpose of providing a venue for NKS employees, their spouses, and other associates to make contributions to CAMPAIGN COMMITTEE A. The "fundraiser" was, in fact, a sham. Instead, TIGANI caused NKS employees to provide approximately seventeen (17)

checks to TIGANI made out to CAMPAIGN COMMITTEE A. In each instance, TIGANI caused NKS to fully reimburse the employees with NKS non-payroll checks. In addition, TIGANI provided two (2) checks to CAMPAIGN COMMITTEE A in his name and the name of a family member. A representative of CAMPAIGN COMMITTEE A picked up the checks from NKS, and all of the contributions were reported to the FEC as being made on August 30, 2007.

20. On or about September 30, 2007, TIGANI caused eight (8) NKS employees and their spouses to provide nine (9) checks to TIGANI, for CAMPAIGN COMMITTEE A. A representative of CAMPAIGN COMMITTEE A picked up the checks from NKS, and all of the contributions were reported to the FEC as being made on September 30, 2007. On or about October 2, 2007, TIGANI and NKS reimbursed the third-party contributors with NKS non-payroll checks.

21. On or about December 13, 2007, TIGANI caused six (6) NKS employees and their spouses to provide six (6) checks to TIGANI, for CAMPAIGN COMMITTEE A, for which they were fully reimbursed with NKS non-payroll checks. A representative of CAMPAIGN COMMITTEE A picked up the checks from NKS, and all of the contributions were reported to the FEC as being made on December 17, 2007.

22. TIGANI, through the scheme, caused THE STATE COMMITTEE, CAMPAIGN COMMITTEE A, and CAMPAIGN COMMITTEE B, each of which was subject to the reporting provisions of the Campaign Act, to file reports with the FEC which falsely stated that the conduits had made federal campaign contributions, when in truth and in fact each contribution was made by TIGANI or NKS.

COUNT I
(Illegal Corporate Officer Contributions)

23. The allegations contained in paragraphs 1 through 22 of this Information are hereby realleged as if fully set forth herein.

24. During the calendar year 2007, in the District of Delaware and elsewhere, the defendant, CHRISTOPHER J. TIGANI, defendant herein and an officer of N-K-S Distributors, Inc. ("NKS"), a corporation organized under the laws of the State of Delaware, knowingly and willfully violated the Campaign Act by making and causing contributions funded by NKS to be made in the names of others to CAMPAIGN COMMITTEE A, a campaign committee for the Office of President of the United States, aggregating \$25,000 or more during the 2007 calendar year, in violation of the prohibition against corporate contributions contained in the Campaign Act.

All in violation of Title 2, United States Code, Sections 441b(a) and 437g(d)(1)(A), and Title 18, United States Code, Section 2.

COUNT II
(Illegal Conduit Campaign Contributions)

25. The allegations contained in paragraphs 1 through 24 of this Information are hereby realleged as if fully set forth herein.

26. During the calendar year 2007, in the District of Delaware and elsewhere, the defendant, CHRISTOPHER J. TIGANI, knowingly and willfully violated the Campaign Act by making contributions and causing contributions to be made in the name of others to CAMPAIGN COMMITTEE A, a campaign committee for the Office of the President of the United States, aggregating \$25,000 or more during the 2007 calendar year.

All in violation of Title 2, United States Code, Sections 441f and 437g(d)(1)(A), and Title 18, United States Code, Section 2.

THE TAX SCHEME

27. In 2005 and 2006, TIGANI caused the NKS Controller to create false accounting entries in the NKS books and records in order to artificially increase the funds available in what was referred to as the NKS "Note Payable Account." The Note Payable Account was an officer loan account whereby TIGANI remitted a portion of his year-end bonus, after taxes, to NKS to help fund operating expenses. NKS, in turn, paid interest on the note. NKS repaid the note by either paying personal expenses for TIGANI, or by TIGANI drawing a non-payroll check against the note.

28. TIGANI's personal spending from the Note Payable account in 2005 and 2006 far exceeded the amount of money he loaned to NKS, which should have created a negative balance on the Note Payable Account. At TIGANI's direction, however, the NKS Controller inflated the amount of money that NKS owed TIGANI to reflect a positive balance in the account.

29. TIGANI also failed to remit to NKS two checks that he received from third parties that represented payments from the third parties to NKS. The checks totaled \$125,000.00 and \$75,000.00, respectively. TIGANI also concealed, in a separate NKS expense account, payments that NKS made to a third-party for personal landscaping expenses at TIGANI's residence totaling \$39,680.00 in 2005 and 2006.

30. The false accounting entries and third-party checks caused TIGANI to receive additional income that he failed to report, thus leading him to make false statements on his 2005 and 2006 federal income tax returns.

COUNT III
(Income Tax False Statement)

31. The allegations contained in paragraphs 27 through 30 of this Information are hereby realleged as if fully set forth herein.

32. On or about October 15, 2006, in the District of Delaware, CHRISTOPHER J. TIGANI, defendant herein, did willfully make and subscribe an individual federal tax return, Form 1040, for the calendar year 2005, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which said Form 1040 he did not believe to be true and correct as to every material matter in that the said Form 1040 stated that his taxable income was \$686,184.00, whereas, as he then and there well knew and believed, his taxable income was substantially higher, to wit, about \$988,692.00, in violation of Title 26, United States Code, Section 7206(1).

COUNT IV
(Income Tax False Statement)

33. The allegations contained in paragraphs 27 through 32 of this Information are hereby realleged as if fully set forth herein.

34. On or about October 19, 2007, in the District of Delaware, CHRISTOPHER J. TIGANI, defendant herein, did willfully make and subscribe an individual federal tax return, Form 1040, for the calendar year 2006, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which said Form 1040 he did not believe to be true and correct as to every material matter in that the said Form 1040 stated that his taxable income was \$919,610.00, whereas, as he then and there well knew and believed, his

taxable income was substantially higher, to wit, about \$1,657,968.00, in violation of Title 26,
United States Code, Section 7206(1).

DAVID C. WEISS
Attorney for the United States Acting
Under Authority Conferred By
28 U.S.C. § 515

By: _____
Robert F. Kravetz
Assistant United States Attorney

Dated: April 18, 2011