

Lev Parnas Sentenced To 20 Months In Prison For Campaign Finance, Wire Fraud, And False Statements Offenses

Wednesday, June 29, 2022

For Immediate Release

U.S. Attorney's Office, Southern District of New York

Damian Williams, the United States Attorney for the Southern District of New York, announced that LEV PARNAS was sentenced today in Manhattan federal court by United States District Judge J. Paul Oetken to 20 months in prison for conspiring to make political contributions by a foreign national along with solicitation and aiding and abetting the making of the same, conspiring to make straw donations, participating in a wire fraud conspiracy, and making false statements and falsifying records. PARNAS was previously found guilty on October 22, 2021 following a two-week jury trial on campaign finance and false statements offenses, and pled guilty to participating in a wire fraud conspiracy on March 25, 2022.

U.S. Attorney Damian Williams said: "Parnas will now serve time in prison for his many crimes. Not content to defraud investors in his business, Fraud Guarantee, out of more than \$2 million dollars, Parnas also defrauded the American public by pumping Russian money into U.S. elections and lying about the source of funds for political contributions. My office will continue to aggressively prosecute those who put their personal and financial gain above their country and their investors."

According to the allegations in the Indictment, court documents, and evidence presented at trial:

The Foreign Donor Scheme

In the spring of 2018, PARNAS, Igor Fruman, Andrey Kukushkin and Andrey Muraviev, a Russian oligarch, decided to launch a business aimed at acquiring retail cannabis licenses in the United States. As part of that plan, Muraviev agreed to wire \$1 million, through a series of bank accounts, to Fruman and PARNAS to fund hundreds of thousands of dollars in political contributions they had made or promised to make before the election in November 2018. The purpose of the donations was to curry favor with candidates that might be able to help PARNAS and his co-conspirators obtain cannabis and marijuana licenses. To obscure the fact that Muraviev was the true donor of the money, the funds were sent to a business bank account controlled by Fruman's brother, and then the donations were made in PARNAS's and Fruman's names.

The Straw Donor and False Statements Scheme

In March 2018, PARNAS and Fruman began attending political fundraising events in connection with federal elections and making substantial contributions to candidates, joint fundraising committees, and independent expenditure committees with the purpose of enhancing their influence in political circles and gaining access to politicians.

In May 2018, to obtain access to exclusive political events and gain influence with politicians, PARNAS and Fruman made a \$325,000 contribution to an independent expenditure committee. PARNAS and Fruman also made thousands of dollars in contributions to a federal candidate and a joint fundraising committee. Despite the fact that the Federal Election Commission ("FEC") forms for these contributions required PARNAS and Fruman to disclose the true donor of the funds, they falsely reported that the \$325,000 contribution came from Global Energy Producers, a purported liquefied natural gas import-export business that was incorporated by PARNAS and Fruman around the time the contributions were made. PARNAS also falsely stated on contribution forms that contributions to the federal candidate and joint fundraising committee were paid for by him. In truth and in fact, the donations did not come from Parnas or GEP funds. Rather, the contributions were all straw donations paid for by Fruman.

In response to a complaint filed with the FEC regarding the \$325,000 contribution to the independent expenditure committee, and to further conceal the true source of the funds used to make certain of their donations, in or about October 2018, PARNAS and Fruman submitted sworn affidavits to the FEC that contained false statements, including that the \$325,000 contribution "was made with GEP funds for GEP purposes" and that "GEP is a real business enterprise funded with substantial bona fide capital investment; its major purpose is energy trading, not political activity."

The Fraud Guarantee Scheme

Between in or about late 2012 and in or about mid-2019, PARNAS and David Corriea conspired to defraud multiple victims by inducing them to invest in their company, known as “Fraud Guarantee,” based on materially false and misleading representations. Among other things, PARNAS and Correia falsely claimed that the investors’ funds would be used solely for legitimate business expenses of Fraud Guarantee, when in fact the funds were largely withdrawn as cash, transferred to personal accounts, and used for various apparently personal expenditures. PARNAS and Correia also made materially false representations concerning, among other things, how much money PARNAS had contributed to the company and how much money the company had raised overall. At least seven victims invested in Fraud Guarantee based at least in part on PARNAS’s and Correia’s false and misleading representations, with each victim being fraudulently induced to pay hundreds of thousands of dollars, for a total of more than \$2 million.

* * *

PARNAS, 50, of Boca Raton, Florida, was sentenced to 20 months in prison, three years of supervised release, as well as \$2,322,500 restitution. Igor Fruman was sentenced to 366 days in prison on January 21, 2022 for solicitation of a contribution by a foreign national. Andrey Kukushkin was sentenced to 366 days in prison on March 15, 2022 for conspiring to make and aiding and abetting the making of a contribution by a foreign national. David Correia was sentenced to 366 days in prison on February 8, 2021 for making false statements and conspiracy to commit wire fraud. Andrey Muraviev is believed to be in Russia and remains at large.

Mr. Williams praised the outstanding investigative work of the FBI and its New York Field Office.

This case is being handled by the Office’s Public Corruption Unit. Assistant U.S. Attorneys Rebekah Donaleski, Aline R. Flodr, Hagan Scotten, and Nicolas Roos are in charge of the prosecution.

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