

PRESS RELEASE

Saratoga Man Sentenced for Money Laundering Conspiracy

Monday, July 17, 2023

For Immediate Release

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

ALBANY, NEW YORK – Michael J. Smith, age 62, of Saratoga, New York, was sentenced today to 5 years of probation for conspiring to launder money.

United States Attorney Carla B. Freedman; Matthew Scarpino, Special Agent in Charge of the Buffalo Field Office of Homeland Security Investigations (HSI); Jonathan Mellone, Special Agent in Charge of the U.S. Department of Labor, Office of Inspector General (USDOL-OIG), North East Region; and Ketty Larco-Ward, Postal Inspector in Charge of the U.S. Postal Inspection Service (USPIS), Boston Division, made the announcement.

In previously pleading guilty, Smith admitted to conspiring with a purported woman he met online and her purported attorney to launder over \$200,000 in fraudulently obtained government benefits between June 2020 and May 2022. The benefits mostly came from COVID-19 relief programs and were obtained through fraudulent unemployment insurance applications and fraudulent business loan applications. The benefits were deposited into Smith's bank account by government entities in several states, including Ohio, Illinois, Maryland, Colorado, California, and Pennsylvania, and sent to him by check and on debit cards. To launder the funds after he received them, Smith purchased gift cards with the fraud proceeds, took photographs of the gift cards, and sent the photographs to the purported woman and her purported attorney. He also transferred fraud proceeds to his co-conspirators.

Smith was also ordered to pay \$208,263.22 in restitution to the defrauded government entities.

The case was investigated by HSI, USDOL-OIG, USPIS, and the New York State Police, and prosecuted by Assistant U.S. Attorney Cyrus P.W. Rieck.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting

and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the Department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Department of Justice's National Center for Disaster Fraud (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

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