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Tuesday, June 28, 2022

Former Saratoga County Resident Pleads Guilty to Money Laundering Conspiracy

Admits Laundering Unemployment Insurance Fraud Proceeds Using Gift Cards

ALBANY, NEW YORK – Christopher L. Vandermark, age 57, formerly of Gansevoort, New York, pled guilty today to engaging in a money laundering conspiracy designed to conceal proceeds from a multi-state unemployment insurance fraud scheme.

The announcement was made by United States Attorney Carla B. Freedman and John Pias, Special Agent in Charge of the Detroit Field Office of the U.S. Department of Homeland Security, Office of Inspector General (DHS-OIG).

In pleading guilty, Vandermark admitted to corresponding via online text messages for over one year with a person who represented herself to be a woman living in North Carolina. The woman directed Vandermark to open accounts at multiple financial institutions, as well as provide her with routing details for his existing accounts. From June 2020 through early April 2021, Vandermark's accounts received transfers of more than \$88,000 in fraudulently obtained unemployment insurance benefits from six states. Vandermark purchased hundreds of gift cards from local retailers using the benefits, photographed the identifying numbers on the cards, and sent the photographs to the woman. The identifying numbers could be used to sell the gift cards online as part of an effort to conceal the original source of the funds.

Vandermark admitted that he received multiple warnings from financial institutions that his actions were furthering a fraudulent scheme. Additionally, on April 15, 2021, a federal law enforcement agent and a state investigator interviewed Vandermark at his residence regarding approximately \$37,000 in fraudulently obtained unemployment insurance benefits transferred to his account at a local bank. Vandermark denied holding the account and receiving the funds.

Both statements were false. Following the law enforcement interview, Vandermark opened yet another account with a financial institution and received an additional \$13,734 in benefits from three states into two accounts, which he used to purchase more gift cards through July 2021. As before, he photographed the gift cards and sent the photos to the woman.

Vandermark admitted responsibility for \$13,734 in benefits laundered through his accounts after the April 15, 2021 law enforcement interview. He agreed to pay restitution to the affected states.

Vandermark's money laundering conspiracy conviction carries a maximum term of 20 years in prison, a fine of up to \$500,000, and a term of supervised release of up to 3 years. Vandermark is scheduled to be sentenced on October 27, 2022 by Senior United States District Judge Gary L. Sharpe. A defendant's sentence is imposed by a judge based on the particular statute the defendant is charged with violating, the U.S. Sentencing Guidelines, and other factors.

The case was investigated by DHS-OIG, with assistance from the Social Security Administration Office of the Inspector General and the Office of the New York State Comptroller. The case is being prosecuted by Assistant U.S. Attorney John T. Chisholm.

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 (NCFD) Hotline at 866-720-5721 or via the NCFD Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

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