



## Charles McGonigal

- Age 55 at time of sentencing
- FBI Agent from 1996 until retirement in 2018
- Special Agent in Charge (SAC) of the FBI's Counterintelligence Division in New York 2016-2018
- Worked in Russian counterintelligence, organized crime and counter espionage
- Supervised investigations of Russian oligarchs



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# CASE STUDY

## Conspiring to Violate the International Emergency Economic Powers Act

### WHAT HAPPENED

Charles McGonigal was convicted of conspiring to violate the International Emergency Economic Powers Act (IEEPA) and of money laundering in connection with his 2021 agreement to provide services to Oleg Deripaska, a sanctioned Russian oligarch.

In 2014, President Barack Obama issued Executive Order 13660, which declared a national emergency with respect to the situation in Ukraine. Executive Order 13660 prohibits providing or receiving any funds, goods, or services from, or for the benefit of any person whose actions or policies are deemed a threat to national security and foreign policy of the United States by the Secretary of the Treasury.

On April 6, 2018, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") designated Oleg Deripaska as a Specially Designated National. Deripaska was sanctioned for acting on behalf of a senior official of the Government of the Russian Federation. The U.S. District Court for the District of Columbia affirmed the sanctions against Deripaska, finding, among other things, that Deripaska acted as an agent of Russian President Vladimir Putin.

As an FBI official, McGonigal helped investigate Deripaska and other Russian oligarchs. As a Special Agent in Charge (SAC,) he supervised investigations into sanctions violations. Yet at the same time, he began building a relationship with an agent of Deripaska, in the hopes of doing business with Deripaska after he retired from the FBI.

In 2021, McGonigal conspired to investigate a rival Russian oligarch in return for concealed payments from Deripaska. McGonigal attempted to conceal Deripaska's involvement by not directly naming Deripaska in electronic communications, using shell companies as counterparties in the contract that outlined the services to be performed, using a forged signature on that contract, and using the same shell companies to send and receive payment from Deripaska. McGonigal hoped to do millions of dollars in business with Deripaska, but FBI agents from the same division McGonigal used to lead foiled his scheme after only a few months of operation.

McGonigal was sentenced to 50 months in prison. In addition to the prison sentence, McGonigal was ordered to pay a fine of \$40,000, to forfeit \$17,500, and three years of supervised release.

### INDICATORS

**Access Attributes** - McGonigal was responsible for overseeing counterintelligence and national security matters as a SAC, including those involving European countries like Albania and Bosnia and Herzegovina.

**Foreign Influence** – McGonigal consistently hid aspects of his relationship with foreign persons that he had a duty to report.

**Security and Compliance Incidents** – McGonigal repeatedly failed to accurately report both official and unofficial foreign travel.

**Outside Activities** - McGonigal engaged in a private financial relationship with foreign persons that actually or apparently conflicted with his official FBI duties and was paid at least \$225,000 for his work.

## IMPACT

- U.S. Attorney Damian Williams said: “Charles McGonigal violated the trust his country placed in him by using his high-level position at the FBI to prepare for his future in business. Once he left public service, he jeopardized our national security by providing services to Oleg Deripaska, a Russian tycoon who acts as Vladimir Putin’s agent.
- Assistant Attorney General Matthew G. Olsen said: “Charles McGonigal helped advance the interests of a sanctioned Russian oligarch, breaking his oath to safeguard our nation and uphold its laws. Today’s sentence holds him accountable for this betrayal and demonstrates this department’s commitment to deny designated individuals the means to circumvent U.S. sanctions.”

## ADDITIONAL

- Between September 2017 and June 2018, McGonigal submitted forms that falsified and concealed his relationship and travel with a foreign person. McGonigal travelled with this person to Albania and other countries in Europe on several occasions and falsely reported the nature and scope of the travel to the FBI by failing to identify the person he was traveling with, failing to identify countries visited, falsely characterizing the purpose of the travel, and falsely reporting that there would be no reportable foreign contacts on the travel. In fact, McGonigal intended to and did meet with foreign nationals.
- On September 7, 2017, McGonigal flew to Albania, where he met several foreign nationals including the Prime Minister of Albania.
- McGonigal’s work for the Russian oligarch conflicted with his official FBI duties. For instance, McGonigal caused the FBI-NY to open a criminal investigation on a U.S. citizen in which the foreign person would serve as a confidential human source. McGonigal also attempted to arrange a meeting between other foreign nationals and U.S. government authorities that would benefit a **foreign person** financially, all while concealing from the FBI that McGonigal received at least \$225,000 for his efforts.

### Questions to consider:

- Were there additional undetected indicators regarding McGonigal that could have revealed his crimes sooner?
- Can the FBI implement additional countermeasures to prevent cases such as McGonigal’s from reoccurring?

### Resources for further exploration:

- [Job Aid: Insider Threat Potential Risk Indicators \(PRI\):](https://www.cdse.edu/Portals/124/Documents/jobaids/insider/INTJ0181-insider-threat-indicators-job-aid.pdf?ver=_HedcDtQk9sSEZItNMLQzA==)  
(https://www.cdse.edu/Portals/124/Documents/jobaids/insider/INTJ0181-insider-threat-indicators-job-aid.pdf?ver=\_HedcDtQk9sSEZItNMLQzA==)
- [Job Aid: Potential Risk Indicators: Foreign Considerations:](https://www.cdse.edu/Portals/124/Documents/jobaids/insider/potential_risk_indicators_foreign_considerations.pdf)  
(https://www.cdse.edu/Portals/124/Documents/jobaids/insider/potential\_risk\_indicators\_foreign\_considerations.pdf)
- [Job Aid: Insider Threat Vigilance Campaign Guide:](https://www.cdse.edu/Portals/124/Documents/jobaids/insider/vigilance-campaign-guidance.pdf)  
(https://www.cdse.edu/Portals/124/Documents/jobaids/insider/vigilance-campaign-guidance.pdf)

## Supporting Through Reporting!

Contact the appropriate POC to report any observed potential risk indicators:

Name: \_\_\_\_\_ Agency/Department: \_\_\_\_\_  
Title: Supervisor/Security Officer/ITP Senior Official/ITP Manager