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**Department of Justice**

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U.S. Attorney's Office

Eastern District of New York

FOR IMMEDIATE RELEASE

Wednesday, October 23, 2019

## **Managing Director and Chief Compliance Officer of Private Equity Firm Indicted for Obstruction of Justice**

**While Employed as a Securities and Exchange Commission Examiner, Defendant Accessed and Disclosed Confidential Information to the Target of an Investigation in Connection with Taking a Job With that Firm**

A superseding indictment was unsealed today in federal court in Central Islip charging Michael S. Cohn, Managing Director and Chief Compliance Officer of GPB Capital Holdings, LLC (GPB), with obstruction of justice, unauthorized computer access and unauthorized disclosure of confidential information. Cohn, a former employee of the Securities and Exchange Commission (SEC), was arraigned this morning before United States Circuit Judge Joseph F. Bianco and released on a \$250,000 bond.

Richard P. Donoghue, United States Attorney for the Eastern District of New York, William F. Sweeney, Jr., Assistant Director-in-Charge, Federal Bureau of Investigation, New York Field Office (FBI), and Carl W. Hoecker, Inspector General of the SEC Office of Inspector General, announced the charges.

"As alleged in the superseding indictment, the defendant abused the trust placed in him as an SEC employee, obstructing an active investigation," stated United States Attorney Donoghue. "No one gets a pass for breaching the security of government computer networks and misusing sensitive and confidential information for their own benefit." Mr. Donoghue expressed his appreciation to the New York City Business Integrity Commission and the New York City Police Department for their assistance during the investigation.

"When Cohn left the SEC to join GPB, he left with more than his own career ambitions. The proprietary information he allegedly retrieved—from databases he wasn't authorized to access—included compromising information about a GPB investigation and sensitive details related to the same. The charges announced today demonstrate the FBI's commitment to protect the securities industry, in addition to guarding the confidential information that is essential to the success of our investigations," stated FBI Assistant Director-in-Charge Sweeney.

"The charges announced by the U.S. Attorney's Office reflect the Office of Inspector General's commitment to investigate individuals who obstruct SEC enforcement activities," stated SEC Inspector General Hoecker.

As set forth in the superseding indictment and other court documents, Cohn previously worked as a Securities Compliance Examiner and Industry Specialist in the SEC's Enforcement Division, where he assisted investigations into

violations of securities laws. In approximately October 2018, Cohn left the SEC to join GPB, a private equity firm based in Manhattan and Garden City, New York, that manages over \$1.5 billion in assets. However, prior to leaving the SEC, Cohn accessed information on SEC servers relating to an Enforcement Division investigation into GPB. Cohn was not authorized to access this highly sensitive material, which included confidential information, privileged attorney-client work product and contacts with law enforcement and other regulatory agencies. During discussions with GPB personnel about obtaining a job there, Cohn advised them that he had inside information about the SEC's investigation, and on several occasions he disclosed information to members of GPB's senior management about that investigation.

The charges in the superseding indictment are allegations, and the defendant is presumed innocent unless and until proven guilty. If convicted, Cohn faces a maximum sentence of 20 years' imprisonment on the obstruction of justice count, a maximum of five years' imprisonment on the unauthorized computer access count and a maximum of one year imprisonment on the unauthorized computer disclosure count.

The government's case is being handled by the Office's Business and Securities Fraud and National Security & Cybercrime Sections. Assistant United States Attorneys Artie McConnell and Lauren Howard Elbert are in charge of the prosecution.

**The Defendant:**

MICHAEL S. COHN  
Age: 59  
Norwalk, Connecticut

E.D.N.Y. Docket No. 19-CR-97 (S-1) (JFB)

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**Attachment(s):**

[Download Cohn Superseding Indictment](#)

**Topic(s):**

Cyber Crime  
Financial Fraud

**Component(s):**

[USAO - New York, Eastern](#)

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