



PRESS RELEASE

Federal Deposit Insurance Corporation

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NEW YORK LAWYER SENTENCED TO PRISON FOR EMBEZZLING FUNDS FROM THE RESOLUTION TRUST CORPORATION

FOR IMMEDIATE RELEASE

Federal Deposit Insurance Corporation (FDIC) Inspector General Gaston L. Gianni, Jr., today announced that Stephen Mighdoll of Roslyn, New York, former managing partner of the New York office of the law firm Berwin Leighton, was sentenced February 6 to 21 months in prison and fined \$5,000 following his guilty plea to embezzling \$285,000 from the Resolution Trust Corporation (RTC).

The RTC was created in 1989 to resolve failed savings and loan associations and manage and dispose of their assets. The RTC closed its doors on December 31, 1995, and the FDIC took over the RTC's remaining business.

In 1994, Mighdoll became the court-appointed receiver for an RTC property. As the property's receiver, Mighdoll collected approximately \$1 million. In his guilty plea, Mighdoll admitted that he embezzled \$285,000 of those funds to pay the expenses of a law firm he was forming and to cover up thefts of money from a client escrow account. Mighdoll will begin his prison term on April 6.

This case was investigated by the FDIC's Office of Inspector General and prosecuted by the United States Attorney's Office for the Southern District of New York.

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Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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