



UNITED STATES ATTORNEY'S OFFICE
Southern District of New York

U.S. ATTORNEY DAMIAN WILLIAMS

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CONTACT: U.S. ATTORNEY'S OFFICE
Nicholas Biase
(212) 637-2600

**Former Disaster Relief Consultant And Retired NYPD
Inspector Pleads Guilty To Conspiring To Commit Federal
Program Fraud In Connection With New York City's
Hurricane Sandy Recovery Efforts**

Damian Williams, the United States Attorney for the Southern District of New York, and Jocelyn Strauber, Commissioner of the New York City Department of Investigation ("DOI"), announced that WALTER MELNICK, a retired Inspector of the New York City Police Department and a disaster relief consultant, pled guilty to conspiring to commit federal program fraud in connection with his work for an Illinois-based consulting firm ("Company-1") that provided Hurricane Sandy-related recovery services to the City of New York. MELNICK surrendered today and pled guilty before U.S. Magistrate Judge Valerie Figueredo in federal court in Manhattan. The case has been assigned to U.S. District Judge Victor Marrero.

U.S. Attorney Damian Williams said: "As New York City worked to recover from the devastation of Hurricane Sandy, Walter Melnick conspired to misuse funds that were allocated to heal the city in the wake of this disaster, instead attempting to use the funds for his own benefit. I commend the Department of Investigation and this Office for holding to account those who conspire to defraud invaluable federal programs."

DOI Commissioner Jocelyn Strauber said: "This defendant was hired to help New York City with Hurricane Sandy relief efforts; instead, he conspired to defraud the City's Office of Management and Budget of almost three hundred and ninety thousand dollars in federal disaster recovery funds. Today, he plead guilty to that conduct, and agreed to pay back those funds to the City. DOI thanks the Office of Management and Budget for its assistance. We will continue to work with our local and federal law enforcement partners to hold accountable those who would seek to defraud the public and to ensure that public funds are used for their intended purpose."

According to the allegations in the Information, court filings, and statements made in court:^[1]

¹ As the introductory phrase signifies, the entirety of the text of the Information constitutes only allegations, and every fact described herein should be treated as an allegation.

Beginning in or about 2013, in the aftermath of Hurricane Sandy, the City of New York received billions of dollars in federal money to fund Hurricane Sandy-related recovery efforts. The City used certain of these funds to hire Company-1 to assist with Hurricane Sandy relief (the “Sandy Project”). Company-1 hired MELNICK as an independent contractor to work on the Sandy Project.

Between in or about 2013 and in or about 2019, while working on the Sandy Project for Company-1, MELNICK participated in two schemes to defraud the New York City Office of Management and Budget (“NYC-OMB”). First, between in or about January 2013 and in or about October 2017, MELNICK conspired with at least one other individual (“CC-1”) and submitted fraudulent documentation to NYC-OMB via Company-1, falsely claiming that he was renting and living in an apartment in New York in order to obtain lodging and travel reimbursements. Upon learning that this first fraudulent scheme was under investigation, MELNICK told CC-1 to lie to law enforcement. Second, between in or about 2017 and in or about 2019, while working on the Sandy Project, MELNICK conspired with at least two individuals, including another employee of Company-1 (“CC-2”) and a family member (“CC-3”), to purchase a property that CC-2 used to submit fraudulent reimbursement requests to NYC-OMB via Company-1 for lodging expenses to which CC-2 was not entitled. CC-2 transferred the proceeds from this fraudulent scheme to CC-3, who used part of the proceeds to pay the mortgage and maintenance for the property and retained the rest. In or about March 2022, MELNICK made false statements to the Government in connection with this second fraudulent scheme.

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WALTER MELNICK, 77, of Treasure Island, Florida, pled guilty to one count of conspiring to commit federal program fraud, which carries a maximum sentence of five years in prison. Under the terms of his plea agreement, MELNICK agreed to forfeit \$387,749 and to pay restitution to NYC-OMB in the amount of \$387,749.

The maximum potential sentence in this case is prescribed by Congress and is provided here for informational purposes only, as any sentencing of the defendant would be determined by a judge. MELNICK is scheduled to be sentenced by Judge Marrero on January 20, 2023, at 10 a.m.

Mr. Williams praised the outstanding investigative work of DOI.

This matter is being handled by the Office’s Public Corruption Unit. Assistant U.S. Attorneys Jane Kim and Catherine Ghosh are in charge of the prosecution.