



The City of New York  
Department of Investigation

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**DOI STATEMENT ON SENTENCING OF RETIRED NYPD INSPECTOR FOR  
CONSPIRACY TO COMMIT FEDERAL PROGRAM FRAUD RELATED TO HURRICANE SANDY RELIEF**

Jocelyn E. Strauber, Commissioner of the New York City Department of Investigation (“DOI”), issued a statement on today’s sentencing of WALTER MELNICK, 77, of Treasure Island, Florida, to three years of probation, which includes a condition that one year be served in home incarceration, for conspiring to commit federal program fraud in connection with his work for an Illinois-based consulting firm that provided Hurricane Sandy-related recovery services to the City. MELNICK was sentenced by United States District Judge Victor Marrero in the U.S. District Court for the Southern District of New York. In September 2022, MELNICK pled guilty to one count of conspiring to commit federal program fraud. Under the terms of his plea agreement, MELNICK agreed to forfeit \$387,749 and to pay that amount in restitution to the New York City Office of Management and Budget (“OMB”). MELNICK has already paid the full amount of restitution to the Clerk of the Court, which will now be transferred to the City. He was also fined \$50,000. DOI’s investigation began in February 2020 when OMB reported that it had received a complaint claiming that consultants from the consulting firm where MELNICK worked received lodging and travel reimbursements to which they were not entitled. DOI investigated this case with the Office of Damian Williams, United States Attorney for the Southern District of New York; the Office handled this prosecution.

DOI Commissioner Jocelyn E. Strauber said, “Hurricane Sandy wreaked havoc on this City, and these federal relief funds were intended to help the hardest hit New Yorkers recover from that devastating storm. This defendant, a retired NYPD inspector, viewed this natural disaster as an opportunity to defraud the government of federal funding, by billing exorbitant expenses that he never incurred. I thank OMB for its assistance in exposing this scheme, and our partners at the United States Attorney’s Office for the Southern District of New York for their work on this investigation and successful prosecution.”

According to the Information, court filings, and statements made in court, beginning in or about 2013, in the aftermath of Hurricane Sandy, the New York City received billions of dollars in federal money to fund storm recovery efforts. The City used certain of these funds to hire a consulting firm (“Company-1”) to assist with Hurricane Sandy relief (the “Sandy Project”). Company-1 hired MELNICK to serve as an independent contractor to work on the Sandy Project. Between in or about 2013 and 2019, while working on the Sandy Project for Company-1, MELNICK participated in two schemes to defraud OMB:

- Between in or about January 2013 and October 2017, MELNICK conspired with at least one other individual (“CC-1”) and submitted fraudulent documentation to OMB via Company-1, falsely claiming that he was renting and living in an apartment in New York City in order to obtain lodging and travel reimbursements. Upon learning this scheme was under investigation, MELNICK – who retired as a full inspector from the NYPD in 1995 – told CC-1 to lie to law enforcement.
- Between in or about 2017 and 2019, MELNICK conspired with at least two individuals, including another employee of Company-1, MARK O’MARA, to purchase a property that O’MARA used to submit fraudulent reimbursement requests to OMB via Company-1. O’MARA transferred the proceeds from

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this fraudulent scheme to another individual 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.

DOI was alerted to the fraudulent activity in February 2020 by OMB, which reported that it had received an anonymous complaint that O'MARA had purchased a home in New York in 2016, making him ineligible for lodging and travel reimbursements from at least 2016 to 2019. OMB then conducted a review of other Company-1 consultants on the Sandy Project and provided DOI with the names of consultants with questionable reimbursements, including MELNICK and O'MARA.

O'MARA pled guilty on February 7, 2023 to federal program fraud, wire fraud in connection with a presidentially-declared major disaster, conspiracy to commit federal program fraud and wire fraud and destruction of evidence, before U.S. District Judge Richard M. Berman. His sentencing is scheduled for August 8, 2023.

DOI Commissioner Strauber thanked Damian Williams, United States Attorney for the Southern District of New York, and his staff for the prosecution of this matter, which was handled by Assistant United States Attorneys Jane Kim and Catherine Ghosh of the Public Corruption Unit.

Assistant Inspector General Anastasia Plakas of DOI's Office of the Inspector General for OMB investigated this matter, under the supervision of First Deputy Inspector General Mary Kozlow, Senior Inspector General Clinton Daggan, Deputy Commissioner/Chief of Investigations Dominick Zarrella and First Deputy Commissioner Daniel G. Cort.

*DOI is one of the oldest law-enforcement agencies in the country and New York City's corruption watchdog. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City. DOI's strategy attacks corruption comprehensively through systemic investigations that lead to high-impact arrests, preventive internal controls and operational reforms that improve the way the City runs.*

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