



U.S. Department of Justice

United States Attorney
Eastern District of New York

271 Cadman Plaza East
Brooklyn, New York 11201

FOR IMMEDIATE RELEASE

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Contact:

John Marzulli
Danielle Blustein Hass
United States Attorney's Office
(718) 254-6323

PRESS RELEASE

**PRINCIPALS OF FIRE ALARM REPAIR COMPANY CHARGED WITH
DECADE-LONG SCHEME TO OVERBILL CITY AGENCIES**

***Defendants Significantly Overbilled City Agencies Through Numerous Fabricated Invoices
With Fraudulently Inflated Prices***

An indictment was unsealed today in federal court in Brooklyn charging two defendants, Walter Stanzione and William Neogra, with wire fraud conspiracy for systematically defrauding the City of New York. The defendants are charged with overbilling New York City agencies for more than a decade in connection with contracts to repair and maintain fire alarm systems. Stanzione is scheduled to be arraigned this afternoon before United States Magistrate Judge Cheryl L. Pollak, while Neogra is scheduled to be arraigned before United States Magistrate Judge Laura D. Hatcher in the District Court of Delaware.

Breon Peace, United States Attorney for the Eastern District of New York, Jocelyn E. Strauber, Commissioner, New York City Department of Investigation (DOI), James Smith, Assistant Director-in-Charge, Federal Bureau of Investigation, New York Field Office (FBI) and Thomas Fattorusso, Special Agent-in-Charge, Internal Revenue Service Criminal Investigation, New York (IRS-CI) announced the charges.

“As alleged in the indictment, the defendants were hired to make sure that the fire alarm systems in hundreds of New York City buildings functioned safely and effectively,” stated United States Attorney Peace. “The defendants took this as an opportunity to steal and defraud, abusing and betraying their obligations. This indictment demonstrates our Office’s commitment to holding accountable government contractors who fleece city agencies and taxpayers.”

DOI Commissioner Jocelyn E. Strauber said, “These defendants, as charged, overbilled City agencies for more than a decade, including the Department of Citywide Administrative Services, the Department of Education, the Department of Environmental Protection, and the Department of Sanitation, by submitting fraudulent invoices reflecting inflated prices. I thank our federal law enforcement partners for their commitment to protect the

City's resources and to hold accountable vendors who use their City contracts to engage in fraud.”

“Doing business with the city is a privilege Neogra and Stanzione allegedly abused for over a decade. Their alleged crimes milked the city of valuable resources. They got used to getting paid more for less, but today it caught up to them,” stated FBI Assistant Director-in-Charge Smith.

“The defendants in this case took money out of the pockets of hard-working New Yorkers by allegedly overbilling the city with fake invoices and inflated prices. This fraud affects all those taxpayers who trusted that the City was paying for services rendered. The defendants are now being held responsible for their criminal acts and will face justice for their decades-long scheme.” said Thomas M. Fattorusso, Special Agent in Charge of IRS-CI New York.

As alleged in the indictment, the defendants exercised control over Fire Alarm Electrical Corp., a company that held numerous contracts with New York City agencies to repair and maintain fire alarm systems. For more than a decade, Fire Alarm Electrical Corp. overbilled those agencies by submitting fraudulent invoices with dramatically inflated prices, including invoices that purported to be from legitimate retailers, which the defendants had altered and modified, as well as invoices from shell companies that the defendants owned and controlled.

The charge in the indictment is an allegation, and the defendants are presumed innocent unless and until proven guilty. The defendants face maximum sentences of 20 years' imprisonment.

The government's case is being handled by the Office's Public Integrity Section. Assistant United States Attorneys Erik Paulsen and Michael Gibaldi are in charge of the prosecution.

The Defendants:

WALTER STANZIONE
Age: 65
East Meadow, New York

WILLIAM NEOGRA
Age: 63
Millsboro, Delaware

E.D.N.Y. Docket No. 23-CR-482

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