



U.S. Department of Justice

**John J. Durham**  
*United States Attorney*  
*Eastern District of New York*

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**FOR IMMEDIATE RELEASE**

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**PRESS RELEASE**

**PRINCIPALS OF FIRE ALARM REPAIR COMPANY PLEAD GUILTY TO  
DECADE-LONG SCHEME TO DEFRAUD NEW YORK CITY AGENCIES**

***Defendants Overbilled City Agencies Using Fabricated Invoices with Fraudulently Inflated  
Prices and Shell Companies***

Earlier today, in federal court in Brooklyn, Walter Stanzione and William Neogra, the principals of a fire alarm maintenance company, pleaded guilty to wire fraud conspiracy. Both defendants were charged with a decade-long scheme to defraud the City of New York by seeking payment on millions of dollars of grossly inflated fraudulent bills. The proceedings were held before United States Magistrate Judge Joseph A. Marutollo. When sentenced, each defendant faces up to 20 years in prison.

John J. Durham, United States Attorney for the Eastern District of New York, Leslie R. Backschies, Acting Assistant Director in Charge, Federal Bureau of Investigation, New York Field Office (FBI), Jocelyn E. Strauber, Commissioner, New York City Department of Investigation (DOI) and Harry T. Chavis, Jr., Special Agent in Charge, Internal Revenue Service Criminal Investigation, New York (IRS-CI New York) announced the charges.

“For over a decade, the City of New York relied on the defendants to ensure that the fire safety systems in hundreds of city buildings were in safe, working order,” stated United States Attorney Durham. “The defendants abused this position of trust so that they could scheme and steal, defrauding New York City out of millions of dollars. The guilty pleas announced today make clear that reprehensible conduct like this will be uncovered and prosecuted.”

“Millions of dollars went up in smoke as Walter Stanzione and William Neogra fraudulently inflated the cost of their company’s products to finance personal luxurious purchases,” stated Acting FBI Assistant Director in Charge Backschies. “For more than ten years, the defendants charged various New York City clients exaggerated pricing for fire alarm systems and obfuscated this misconduct through doctored invoices. The FBI remains determined

to protect our city's citizens and infrastructure from criminals seeking to unlawfully profit with little concern for safety."

"Stanzione and Neogra orchestrated a scheme to defraud the City of New York. They created shell companies to pass-through supplies sold to NYC agencies at inflated prices with false invoices. Millions of dollars were billed over a decade, and the excessive profit left these fraudsters living large. Today's plea means the defendants' lifestyle will go from extravagant in size to a reduction in square feet," stated IRS-CI New York Special Agent in Charge Chavis.

"These defendants systematically inflated costs billed to multiple City agencies—including the Department of Citywide Administrative Services, the Department of Education, the Department of Environmental Protection, and the Department of Sanitation, for more than a decade," stated DOI Commissioner Strauber. "When vendors exploit their contractual relationship with the City by overbilling, they steal public funds from City taxpayers. I thank our federal law enforcement partners for their commitment to protect the City's resources and to ensure vendors who commit fraud are held responsible."

As set forth in various public court filings and in today's proceedings, 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, the defendants overbilled those agencies by submitting fraudulent invoices with dramatically inflated prices. They accomplished this scheme in several ways:

- The defendants created numerous shell companies that were secretly owned by defendant Stanzione. After purchasing supplies from legitimate retailers, the defendants would re-invoice the parts through the shell companies for roughly three to five times the real purchase price, ultimately passing along those "costs" to the City.
- The defendants took advantage of pre-existing shell companies that were being used in other ongoing frauds. For example, the defendants used shell companies created by convicted EDNY defendant David Motovich, which Motovich had used in an entirely separate fraud scheme that was also investigated and prosecuted by EDNY, FBI, DOI and IRS (21-CR-497).
- When city auditors became suspicious of the shell companies, the defendants fraudulently modified the documents of legitimate retailers, passing off the altered invoices from these companies as if they were genuine.

These methods enabled the defendants to submit millions of dollars of fictitious payment requests to four separate city agencies over an eleven-year period. Defendant Stanzione, the leader of the fraud, then siphoned off much of the ill-gotten gains and used the stolen money to fund his family's lavish spending habits.

The government's case is being handled by the Office's Public Integrity Section. Assistant United States Attorneys Erik Paulsen, Michael Gibaldi and Eric Silverberg are in charge of the prosecution, with the assistance of Paralegal Specialist Kavya Kannan.

**The Defendants:**

WALTER STANZIONE  
Age: 66  
East Meadow, Long Island

WILLIAM NEOGRA  
Age: 65  
Millsboro, Delaware

E.D.N.Y. Docket No. 23-CR-482 (RPK)