



# NEWS RELEASE

From New York State Inspector General  
**Catherine Leahy Scott**

FOR IMMEDIATE RELEASE: Nov. 7, 2018  
Contact [John Milgrim](#): 518-474-1010

## STATE CONTRACTOR CONVICTED OF FEDERAL FRAUD FOR CORRUPT STATE HIGHWAY MAINTENANCE SCHEMES

ALBANY – A federal jury voted to convict Nathaniel P. Lorenz, age 47, of Holley, New York, on wire and mail fraud charges, following a 7-day trial.

The announcement was made by New York State Inspector General Catherine Leahy Scott, United States Attorney Grant C. Jaquith, the New York State Department of Transportation (NYSDOT), and the Office of Inspector General (USDOT-OIG).

The evidence at trial established that Lorenz, a former police officer and sheriff's deputy, submitted fake invoices to the New York State Department of Transportation in order to conceal that he was not buying the materials needed to perform contracts for which his company was ultimately paid more than \$1 million.

**New York State Inspector General Catherine Leahy Scott said**, “With shameful malice and greed this corrupt contractor spent years blatantly shortchanging taxpayers and lining his own pockets while hastening the deterioration of highway pavement for which he was paid millions of dollars to help protect. This federal jury easily saw right through his criminal scheme and convicted him on all counts. I thank the New York State Department of Transportation and the United States Department of Transportation Office of the Inspector General for their partnership investigating this matter, and United States Attorney for the Northern District of New York Grant C. Jaquith and his office for prosecuting this matter.”

**United States Attorney Grant C. Jaquith stated**, “Nathaniel Lorenz ripped off the State of New York by entering into contracts that he had no intention of completing. As part of his scheme, he submitted phony paperwork to the state in an attempt to cover up his failure to complete important maintenance work on bridges that thousands of New Yorkers drive over each day. With our law enforcement partners, we will maintain a vigilant watch over federally funded contractors to make sure they are being paid for jobs well done.”

Lorenz's company, ACME Powerwashing Inc. (ACME) of Holley, New York, contracted with NYSDOT in 2015 and 2016 to clean and seal the road portions of bridges, known as concrete bridge decks. The work involved cleaning the bridge decks and then sealing them with a chemical that makes the concrete more resistant to penetration by water, chlorides and waterborne contaminants, which might cause potholes. The Federal Highway Administration, part of the United States Department of Transportation, provided most of the money for these contracts.

Each of these contracts required ACME to purchase a certain amount of sealing chemical, based on how many square feet of concrete bridge deck was sealed. On three contracts in 2015 and 2016, Lorenz submitted

fraudulent invoices to NYSDOT in order to conceal that he was not buying the amount of the sealing chemical required by the contracts. Lorenz falsely claimed that he was buying sealing chemicals from S.E. Brett, Inc., another company that he owned that does not sell anything.

On these 3 contracts alone, NYSDOT paid ACME a total of \$1,139,119.74 for bridge sealing work, and an additional \$759,002.64 for bridge washing and other work. The evidence at trial established that ACME, which had been a NYSDOT contractor since 2010, was not buying the appropriate amount of sealing chemicals since at least 2012. The loss amount will be determined at sentencing.

Sentencing is scheduled for February 14, 2019 before Senior United States District Judge Norman A. Mordue. If convicted, Lorenz faces up to 20 years in prison, a maximum \$250,000 fine, and up to 3 years of post-imprisonment supervised release. He may also be ordered to pay restitution to one or more government agencies. A defendant's sentence is imposed by a judge based on the particular statute the defendant is charged with violating, the U.S. Sentencing Guidelines and other factors.

Inspector General Leahy Scott thanks the NYSDOT Commissioner Paul Karas and his investigations bureau and the USDOT-OIG Special Agent in Charge Douglas Shoemaker for their partnership with the investigation, and United States Attorney Grant C. Jaquith and his office for prosecuting this case.

###