



NEWS RELEASE

From New York State Inspector General
Letizia Tagliaferro

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Contact [John Milgrim](mailto:John.Milgrim@dot.ny.gov): 518-474-1010

STATE CONTRACTOR SENTENCED TO 18 MONTHS FOR DEFRAUDING NYSDOT ON FEDERALLY FUNDED CONTRACTS

SYRACUSE – Nathaniel P. Lorenz, age 47, of Holley, New York, was sentenced today to 18 months in prison, and to pay restitution in the amount of \$600,000, following his trial conviction last year on wire fraud and mail fraud charges.

The announcement was made by United States Attorney Grant C. Jaquith; Douglas Shoemaker, Special Agent in Charge of the Northeast Regional Office of the United States Department of Transportation, Office of Inspector General (USDOT-OIG); New York State Inspector General Letizia Tagliaferro; and Robert L. Keihm, Chief Investigator for the New York State Department of Transportation (NYSDOT) Investigations Bureau.

Senior United States District Judge Norman A. Mordue also ordered Lorenz to serve a 2-year term of post-imprisonment supervised release.

Lorenz was convicted on all charges – eight counts of wire fraud and one count of mail fraud – following a 7-day trial that ended on November 6, 2018. The evidence at trial established that Lorenz, a former police officer and sheriff's deputy, submitted fake invoices to NYSDOT in order to conceal that he was not buying the materials needed to perform bridge maintenance contracts in the Buffalo and Binghamton regions, for which his company was ultimately paid more than \$1 million.

Lorenz's company, ACME Powerwashing Inc. (ACME) of Holley, 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.

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 and had saved at least \$500,000 in avoided material costs.

This case was investigated by USDOT-OIG, the Office of the New York State Inspector General, and NYSDOT's Investigations Bureau, and was prosecuted by Assistant U.S. Attorney Michael Barnett.