



NEWS RELEASE

From New York State Inspector General
Letizia Tagliaferro

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STATE NEUROSCIENTIST CHARGED WITH FEDERAL CRIMES FOR LYING ABOUT ILLICIT PAYMENTS AND UNDISCLOSED CONFLICT OF INTEREST

ALBANY – New York State Inspector General Letizia Tagliaferro today announced that charges have been filed against Dr. Gerwin Schalk, a research scientist with the New York State Department of Health’s (DOH) Wadsworth Center in Albany and deputy director of the National Center for Adaptive Neurotechnologies (NCAN).

The Inspector General’s office initiated an investigation of Schalk based on a complaint of a state employee, and then worked with the United States Attorney’s Office for the Northern District of New York; and the U.S. Department of Health and Human Services, Office of Inspector General (HHS-OIG) upon uncovering potential fraud regarding federal grants. The joint investigation revealed that Schalk, 48, of Glenmont, accepted more than \$69,000 in illicit payments from a neurotechnology supplier whose products Schalk regularly used in his research. While Schalk was accepting these payments, the company billed Health Research, Inc. (HRI), which assists DOH in acquiring and administering research grants, approximately \$260,000 for the federal grants that were specifically assigned to Schalk. The payments to Schalk were made in the form of wire transfers and PayPal deposits over a five-year period, totaling more than \$69,000. The company also purchased a car that Schalk registered in his name.

The joint investigation found that Schalk, who was the principal researcher on federal grants that were paying the company for the equipment, submitted multiple false conflict of interest statements to HRI stating that he did not receive any financial benefit from any entity involved in his research. Additionally, the investigation revealed that Schalk did not inform DOH that he was being compensated by the neurotechnology company, in violation of DOH policy. Schalk also failed to disclose the payments he received on his Financial Disclosure Statements (FDS) that he was required to file with the New York State Joint Commission on Public Ethics.

“This State scientist chose to enrich himself and filed false statements to conceal his wrongdoing,” said **Inspector General Tagliaferro**. “His arrest sends a clear message that such egregious conduct and clear violations of the public trust will be pursued to the fullest extent of the law.”

Schalk was charged with making multiple false statements in violation of 18 U.S.C. section 1001(a), for submitting materially false conflict of interest certifications in relation to federal grants administered by the National Institutes of Health (NIH).

Schalk appeared in court today on the federal charges and was released under federal supervision pending further court action.

Inspector General Tagliaferro thanked United States Attorney Grant Jaquith, HHS-OIG, and the Bethlehem Police Department for their assistance with the investigation and arrest.

The defendant is presumed innocent until and unless proven guilty in a court of law.

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