



**NEWS RELEASE**  
**From New York State Inspector General**  
**Letizia Tagliafierro**

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**STATE NEUROSCIENTIST PLEADS GUILTY TO FUNNELING FEDERAL FUNDS TO SUPPLIER THAT PAID HIM MORE THAN \$70K**

*Dr. Gerwin Schalk made false statements to Federal government and failed to disclose conflict of interest to New York State*

New York State Inspector General Letizia Tagliafierro today announced that 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), pled guilty to charges that he accepted more than \$70,000 in illicit payments from a neurotechnology supplier while steering federal grant funding to the company – and then covered up the payments.

“Dr. Schalk abused his high-profile state position by using public funds to purchase neurotechnology products from a company that was paying him a handsome sum on the side,” said New York State Inspector General Tagliafierro. “Through his elaborate scheme, he lied, failed to disclose conflicts of interest and ultimately broke the public’s trust. I applaud the U.S. Attorney’s Office for the Northern District for working to ensure he will no longer be able to unscrupulously enrich himself.”

United States Attorney Grant C. Jaquith stated: “Gerwin Schalk specializes in cutting-edge neurology research, but he failed to honor some of his most basic obligations as a state employee and federal grant recipient. He lined his pockets with at least \$70,000 in payments from a company whose products he used in his research, and then repeatedly lied about this brazen conflict of interest. His guilty plea demonstrates that even acclaimed researchers must follow the rules, and that we and our law enforcement partners are committed to safeguarding the integrity of federally funded research.”

Schalk pled guilty today before Hon. Lawrence E. Kahn in U.S. District Court for the Northern District of New York to submitting materially false conflict of interest certifications (18 U.S.C. § 1001(a)) in relation to federal grants administered by the National Institutes of Health (NIH). Schalk admitted to all the conduct outlined in the [criminal complaint filed against him](#) in August and agreed to repay the illicitly received funds. He also resigned from state employment. Schalk is due back in court April 30, 2020 for sentencing.

A joint investigation between the Inspector General's office, the U.S. 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) revealed Schalk, 48, of Glenmont, accepted at least \$70,000 in payments from a neurotechnology supplier whose products Schalk regularly used in his research. At the same time, Schalk, as the principal controlling federal grants for the research, steered a grant administrator working with DOH to deliver approximately \$260,000 in federal funds to the company.

The company's payments to Schalk were primarily made via wire transfers and PayPal deposits over a five-year period.

To cover up the scheme, Schalk:

- Falsely stated to the grant administrator that he did not receive any financial benefit from any entity involved in his research;
- Failed to inform DOH that he was being compensated by the company – in violation of DOH policy; and
- Failed to disclose the payments on his required annual Financial Disclosure Statements (FDS) with the

Joint Commission on Public Ethics (JCOPE).

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

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