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District of New Jersey

FOR IMMEDIATE RELEASE

Monday, October 15, 2018

Ambler, Pennsylvania, Man Admits Defrauding FEMA Relating To Major Disaster

CAMDEN, N.J. – An Ambler, Pennsylvania, man today admitted defrauding the Federal Emergency Management Agency (FEMA) of thousands of dollars after Hurricane Sandy, U.S. Attorney Craig Carpenito announced.

Nicholas Ochs, 54, pleaded guilty before U.S. District Judge Jerome B. Simandle in Camden federal court to Counts One (disaster benefit fraud) and Four (mail fraud) of the indictment against him.

According to documents filed in this case and statements made in court:

When a natural disaster or federal emergency occurs in the United States, federal agencies, such as FEMA, provide relief and assistance to affected individuals and entities. FEMA provides financial assistance by, among other things, helping affected individuals repair their property.

In October 2012, Cape May County suffered severe damage from wind, rain and flooding generated by Hurricane Sandy when it struck New Jersey. On Oct. 30, 2012, then-President Obama signed a Presidential Disaster Declaration for the State of New Jersey, enabling eligible individuals who were displaced by the storms to seek financial assistance from FEMA.

At the time of Hurricane Sandy, Ochs's mother lived in a house in Ocean City, New Jersey. In January 2013, Ochs filed an application with FEMA on her behalf, seeking federal rental assistance and assistance for personal property damage under FEMA's Individual Assistance Program. He claimed the property was damaged as a result of Hurricane Sandy and was unfit for occupancy. An inspector working on behalf of FEMA inspected the property and determined that the property was uninhabitable, that repairs were required, and that the homeowner had moved. During the inspection, Ochs, acting with power of attorney, signed the application on behalf of his mother attesting that all the information on the application was true and correct. By signing the

application, Ochs also acknowledged that any disaster relief money awarded would be returned if his mother received insurance benefits for the same loss.

FEMA initially denied Ochs's claim, citing the fact that the property was covered by insurance. Ochs submitted documents to FEMA indicating that the insurance provider denied his mother's claim. Based on that, in February 2013, FEMA awarded Ochs's mother funds for rental assistance and home repair.

In applying to FEMA for home repair and rental assistance claiming that his mother was displaced by Hurricane Sandy, Ochs submitted fraudulent leases claiming that his mother was renting another property on the same block in Ocean City. Ochs also provided fictitious rental receipts. Ochs failed to disclose that the property his mother was renting was owned by his family and that no rent was ever paid. To support his mother's continued need for rental assistance, Ochs was required to complete FEMA forms, and he faxed fraudulent lease agreements and rental receipts to FEMA.

In February 2013 Ochs contacted FEMA and made a false claim for transportation assistance, claiming that his mother's 1985 Mercedes Benz was damaged by Hurricane Sandy and submitting fraudulent documentation to that effect.

Between February 2013 and December 2013, FEMA paid Ochs' mother \$17,229 for rental assistance and \$4,345 for home repairs, through the issuance of direct deposits into bank accounts that Ochs controlled. Ochs then used the money to pay his personal expenses.

FEMA's National Flood Insurance Program indemnifies flood insurance providers when a claim is paid out. At the time of the storm, Wells Fargo Bank held the mortgage on Ochs's mother's property. After Ochs made a claim to the insurance provider, the insurance provider sent the insurance proceeds to Wells Fargo. To entice Wells Fargo to release the funds, Ochs presented fraudulent invoices and forms from a builder that over inflated the value of the work that the builders performed. Wells Fargo mailed numerous checks totaling \$169,518 to the house in Ocean City. Ochs deposited the checks into bank accounts that he controlled and spent the money on personal expenses. The flood insurance claims were indemnified by FEMA.

The count of disaster benefits fraud to which Ochs pleaded guilty to carries a maximum potential penalty of 30 years in prison and a \$250,000 fine. The count of mail fraud to which he pleaded guilty carries a potential penalty of 30 years in prison and \$1 million fine. Sentencing is scheduled for Jan. 25, 2019.

U.S. Attorney Carpenito credited special agents of the Department of Homeland Security, Office of Inspector General, under the direction of Special Agent in Charge Mark Tasky, with the investigation leading to today's guilty plea.

The government is represented by Assistant U.S. Attorney Jason M. Richardson of the U.S. Attorney's Office Criminal Division in Camden.

Defense counsel: William J. Hughes Jr., Atlantic City, New Jersey

Attachment(s):

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