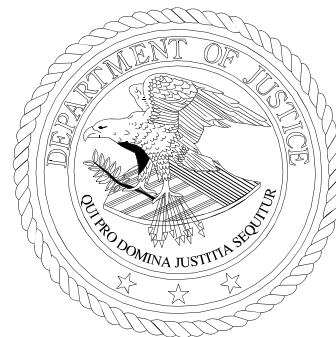


NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
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Ralph J. Marra, Jr., Acting U.S. Attorney

More Information? Call the Assistant U.S. Attorney or other contact listed below to see if more information is available.

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FOR IMMEDIATE RELEASE
Jan. 8, 2009

Civilian Employee at Lakehurst Naval Air Station Charged with Fraudulent Receipt of Disability Compensation

(More)

Public Affairs Office
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NEWARK – A U.S. Department of Defense civilian employee was arrested today and charged with obtaining tax-free federal workers' disability compensation by making false statements and concealing his landscaping and handyman business that he operated on the side, Acting U.S. Attorney Ralph J. Marra, Jr. announced.

According to a criminal Complaint, Walter V. Childs, Sr., 48, of Jackson Township completed two forms (on March 11, 2005, and then again on October 31, 2006) in which Childs claimed that he was not self-employed and had not received any income during the prior 15 months. After completing the forms, the Complaint alleges that Childs submitted them to the Office of Workers' Compensation Programs, the federal agency that administers the program. Childs was required to complete the forms to remain eligible for these tax-free benefits. The Complaint alleges that Childs has been out on disability from 1995 to the present.

Childs had worked as a mechanic at Lakehurst Naval Air Station. In 1994 he reported an on-the-job back injury and from about late 1995 to the present, Childs has not reported to work. In 1995 he applied for and began receiving federal disability compensation, which to the present has totaled approximately \$353,000.

Childs was arrested early today. He made an initial appearance in federal court in Newark before U.S. Magistrate Judge Michael A. Shipp and was released on \$50,000 bail. Childs faces a maximum statutory penalty of five years in federal prison and a \$250,000 fine on each of two charges of making false statements.

During the relevant periods in question in the Complaint – in contradiction to his certifications that he had no self-employment or income – Childs owned, operated, and received income from an unincorporated landscaping and handyman business that, at times, operated under the name "W & W." Furthermore, bank records from an account belonging to Childs revealed that during the relevant periods in question, Childs deposited numerous checks, with the vast majority of the checks made payable to "cash" or to Childs. The memo portion of some of these checks contained notes such as "powerwashing," "leaves," "for scaffolding," "tree stump removal," and "landscaping."

In addition, the Complaint refers to two customers who hired and paid Childs for services. One customer, referred to as Customer One in the Complaint, paid Childs \$850 by check in August 2004 to clean and powerwash a deck. This check was deposited into Childs' bank account. A second customer, referred to as Customer Two, hired Childs and paid him approximately \$12,500 to install a bed liner and to lay mulch on the customer's property.

The Complaint alleges that a federal agent, posing as an interested customer, called a phone number belonging to Childs on or about Dec. 17, 2008. During the call, the individual, who identified himself as "Walt," asked the undercover agent what he/she "was looking for," or words to that effect. The undercover federal agent stated he/she was looking for tree removal. "Walt" stated that he does not advertise anymore and that he tries to "do it" by word of mouth with friends, or words to that effect. On or about Dec. 29, 2008, Childs (referring to himself as "Walt") left a voice message on the phone number previously provided to him by the undercover

federal agent. During the voice message, Childs identified himself as “Walt” from “W & W.” On the voice message, Childs requested that the undercover federal agent return his phone call if he/she had still needed tree removal services.

Despite being charged in a criminal Complaint, Childs is presumed innocent unless and until proven guilty beyond a reasonable doubt.

Marra credited Special Agents of the Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations, under the direction of Special Agent in Charge Marjorie Franzman, and the Defense Criminal Investigative Service, under the direction of Resident Agent in Charge Christopher Fair, with the investigation leading to today’s arrest.

The case is being prosecuted by Assistant U.S. Attorney Anthony Moscato, of the U.S. Attorney’s Office Strike Force Division in Newark.

-end-

Defense Counsel: Peter Carter, Esq., federal Public Defender’s Office, Newark.