



# Department of Justice

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Northern District of New York

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## GUILTY PLEA IN GULF OIL SPILL SCAM

### **New York Resident Admits Fraudulently Obtaining \$102,500 From Fund Formed To Pay Claims Related to Deepwater Horizon Oil Spill**

ALBANY, NY - JEFFREY FEINSTEIN, age 58, of West Shokan, New York, has pled guilty to one count of mail fraud for submitting a false claim that he lost rental income on his Florida properties due to the Deepwater Horizon oil spill in the Gulf of Mexico in 2010, announced Richard S. Hartunian, United States Attorney for the Northern District of New York, and William E. Leege, Resident Agent In Charge of the Albany Resident Office of the United States Secret Service. The guilty plea was entered on Thursday, May 12, 2011, in United States District Court in Albany, New York before District Judge Lawrence E. Kahn. Sentencing is scheduled for September 14, 2011, at 11:00 a.m. in Albany, New York. FEINSTEIN faces a maximum term of up to 20 years in prison. FEINSTEIN is also subject to up to 3 years supervised release to follow any period of incarceration, a \$250,000 fine, an order of forfeiture, and an order of restitution.

United States Attorney Hartunian stated: "The impact of fraud arising out of the oil spill in the Gulf of Mexico and other disasters is nationwide. This office will aggressively prosecute those who seek to take advantage of such circumstances by attempting to defraud the federal programs that have been established to assist those in need."

In entering his guilty plea, JEFFREY FEINSTEIN admitted that he provided false claim information to the Gulf Coast Claims Facility ("GCCF"), an entity formed by BP (British Petroleum) for the purpose of administering, mediating, and settling claims of individuals and businesses for costs, damages, and other losses incurred as a result of the oil discharges due to the Deepwater Horizon incident regarding an oil rig in the Gulf of Mexico. Specifically, FEINSTEIN admitted that he falsely reported financial losses in the form of lost rental income purportedly resulting from the after-effects of oil discharges into the Gulf of Mexico, and that he attempted to receive, and did in fact receive, assistance to which he was not entitled in the amount of approximately \$102,500. The lost income purportedly concerned two rental properties.

In response to a significant amount of fraud associated with federal disaster relief programs that went into effect following Hurricanes Katrina, Rita and Wilma, a Joint Command Center was established in Baton Rouge in 2005. The command center, now known as the National Center for Disaster Fraud (NCDF), has received and screened more than 46,000 complaints of disaster fraud and referred nearly 31,000 of those to law enforcement for investigation. The NCDF – based on its extensive expertise and established infrastructure – has helped victims of fraud related to Hurricanes Katrina, Rita, Wilma, Ike and Gustav, as well as those affected by severe storms in more than 35 different states, earthquakes, tsunamis and wildfires.

Members of the public can report fraud involving the Deepwater Horizon oil spill through the National Center for Disaster Fraud Hotline 877-NCDF-GCF (623-3423), the Disaster Fraud Fax at 225-334-4707, or the Disaster Fraud e-mail at [disaster@leo.gov](mailto:disaster@leo.gov).

The case was investigated by the U.S. Secret Service, Albany Resident Office, and is being prosecuted by the United States Attorney's Office for the Northern District of New York.

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