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80 East Spring Street, Williamsville, NY 14221

www.singerlegalpllc.com

Press Release

FOR IMMEDIATE RELEASE

Robert C. Singer, Esq.
(716) 222-3288
rob@singerlegalpllc.com

False Claims Act Lawsuit Against Lee Strock Dismissed

Buffalo, New York, October 14, 2021 – Last night, the federal government moved to dismiss its False Claims Act lawsuit against Lee Strock, days after entering a consent judgment with codefendant Strock Contracting, Inc. For more than a decade, Lee Strock was under investigation for allegedly submitting false claims to the United States for construction projects he completed while a minority-owner at the Buffalo-based construction firm Veteran Enterprises Company, Inc. (“VECO”). When the federal government first raised these allegations against Mr. Strock and his VECO partners in 2010, VECO’s majority owner, Terry Anderson, fought the allegations. Initially, the federal government relented, reinstating VECO as a certified veteran-owned small business and dropping its criminal and civil probe. However, in 2015, Mr. Strock found himself in the government’s cross-hairs again. This time, the federal government brought a civil lawsuit alleging violations of the False Claims Act against Mr. Strock, one of his companies named Strock Contracting, Inc. (“SCI”), and two other VECO employees. Mr. Strock continued to fight.

In 2016, Mr. Strock moved to dismiss the government’s lawsuit for failure to state a claim. A Federal District Court took nearly two years to decide his motion. In January 2018, the District Court sided with Mr. Strock – it dismissed the federal government’s lawsuit in its entirety against Mr. Strock and all codefendants. The government moved for reconsideration, but the District Court affirmed its order of dismissal. Mr. Strock thought he was vindicated, yet the government would not drop its defective suit.

In 2018, the federal government amended its lawsuit and revised its allegations hoping to prevail. Mr. Strock and his codefendants moved to dismiss the lawsuit again. In 2019, the District Court sided with Mr. Strock once more, and, for the second time in a year, dismissed the federal government’s lawsuit against Mr. Strock, SCI, and his codefendants in its entirety. Mr. Strock thought he was vindicated for a second time, but the federal government chose to appeal the dismissal.

By the time the Court of Appeals decided to reinstate some of the claims against Mr. Strock in 2021, the damage already was done. Mr. Strock’s business reputation was soiled. Opportunities dried up. He was bankrupt. His once flourishing company, Strock Contracting, Inc., was liquidated and defunct. One of his codefendant business partners even died due to the stress of this case. And the legal defense fund that Lee Strock, his company, and VECO employed to successfully defend themselves against these spurious allegations was extinguished.

With nothing left to fight the unlimited resources of the federal government, last month, Strock Contracting, Inc. – a proud company that built the interchange at the Walden Galleria and other prominent sites in Western New York – agreed to enter into a consent judgment with the federal government to conclude this lawsuit. The government also agreed to dismiss its case against Lee Strock, individually, without requiring any admission of liability by Mr. Strock.

Lee Strock’s attorney, Robert C. Singer, Esq., of Singer Legal PLLC, stated, “This is both a happy day and a sad day. Happy, in the respect that Lee Strock finally shed the colossal weight of the federal government off his shoulders. Sad, in the respect that the only reason why Lee Strock and Strock Contracting decided to stop fighting this lawsuit is because they could not match the trillion-dollar war chest of the federal government. The fact that we secured dismissal not once, but twice against the federal government, is significant. It proves how these allegations were never as strong as the government alleged. And today’s outcome includes no finding of guilt or liability against Lee Strock because he did nothing wrong.”

Attorney Singer added: “I think it’s important to note how it was never alleged that VECO or Strock Contracting delivered substandard work. On all of the projects that Lee Strock was involved in while a minority-owner at VECO, government contracting officers universally agreed that VECO delivered quality buildings and roads to the taxpayers, on time, and on budget. These buildings and roads still are in use today. I also think it is important to note how this is a real-life “David and Goliath” story. Going up against the federal government is daunting and, in many cases, it is incredibly difficult to prevail. We did prevail for many years until a lack of financial resources prevented us from continuing this fight. But for the manner in which these allegations destroyed the reputation of Lee Strock, VECO, Strock Contracting, and others, the resources and desire to continue this fight would have endured. The consent judgment involving Strock Contracting is a realization of that fact, more than anything else. I hope people recognize that.”

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