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Suit Is Filed in NY's First Unsealed Qui Tam Estate Tax Case

A whistleblower has filed a suit accusing her former employer, a late Westchester County pathologist, of evading New York income and estate taxes in what is believed to be the state's first unsealed qui tam estate tax case.

By Andrew Denney | January 19, 2018

A whistleblower has filed a [suit](#)



Photo: Shutterstock.

(<https://images.law.com/contrib/content/uploads/documents/389/18223/NYS-ex-rel-Light-v-Melamed-et-al-amended-complaint.pdf>) accusing her former employer, a late Westchester County pathologist, of evading New York income and estate taxes in what is believed to be the state's first unsealed qui tam estate tax case.

Adam Pollock of Ford O'Brien filed the complaint on Friday afternoon in Manhattan Supreme Court on behalf of Doreen Light, who accuses her former boss, Myron Melamed, of misrepresenting to the state that he lived in Florida while living and working full time in Westchester.

Melamed died in 2013 and the qui tam case against him was filed the following year, but was kept under seal until Jan. 16 while the matter was under government investigation.

Light, who brought her claims as a relator for the state under New York's False Claims Act

(https://ag.ny.gov/sites/default/files/pdfs/bureaus/whistleblowers/NYS_FALSE_CLAIMS_A

alleges that the state is entitled to about \$2 million in damages, which could be trebled under the FCA, plus \$12,000 in civil penalties per violation.

"As alleged in the amended complaint, the fraud here is stark and the doctor's weak attempts to cover it up won't survive the scrutiny that justice will bring to bear," Pollock said.

New York Attorney General Eric Schneiderman's office did not file to intervene in the case and Pollock declined to say if the office provided a reason as to why it's not joining in.

"We are confident that it is meritorious," he said.

David Koenigsberg, a partner at Menz Bonner Komar & Koenigsberg who specializes in FCA cases and who is not involved with the case, confirmed when reached on Friday that he has heard of no other unsealed estate tax whistleblower cases in New York.

Koenigsberg said the largest area for FCA claims tend to involve health care spending, such as Medicare or Medicaid fraud.

Koenigsberg said there are a number of possibilities as to why a state attorney general would decline to intervene in a case that does not necessarily speak to its merits: The AG may have "bigger fish to fry" or may find that a private attorney could competently handle the matter. "The fact that they declined is really not relevant to the merits of the case," Koenigsberg said.

Daniel Melamed, Myron Melamed's son and a defendant in the case, said on Friday when reached by phone that he had not yet learned about the lawsuit and declined to comment immediately on the allegations.

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