



Department of Justice

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FORMER NEW YORK POWER AUTHORITY EMPLOYEE SENTENCED TO 37 MONTHS IN JAIL FOR BRIBERY AND FRAUD SCHEME

WASHINGTON — A former employee of the New York Power Authority (NYPA) was sentenced today to serve 37 months in jail and to pay a \$5,000 criminal fine for his role in a kickback and bribery scheme, the Department of Justice announced.

Edward P. Goldblatt of Melville, N.Y., a former purchasing warehouse assistant at NYPA, pleaded guilty on Aug. 26, 2008, in the U.S. District Court in Brooklyn to conspiring to defraud NYPA in a bribery scheme where he accepted \$167,000 in kickback payments from a vendor. Goldblatt also caused NYPA to pay approximately \$86,000 in fraudulent overcharges. Half of these overcharges were included in Goldblatt's kickback payments and half were retained by the vendor. Goldblatt also pleaded guilty to income tax evasion for failing to report as income any of the kickbacks that he received for the years 2005 through 2007.

Goldblatt was also ordered to pay, with another individual, \$253,836 in restitution. He was arrested in connection with this investigation by Special Agents of the FBI and the Internal Revenue Service (IRS) Criminal Investigation on April 2, 2008.

"Today's sentencing should make clear that those who conspire to subvert the competitive bidding process will be held accountable," said Scott D. Hammond, Acting Assistant Attorney General in charge of the Department's Antitrust Division. "The Department of Justice will not hesitate to prosecute those who defraud their employers, both public and private, for personal gain by ignoring competition standards."

NYPA is a nonprofit energy corporation established by New York State for the public benefit of the citizens of New York by providing low-cost power to government agencies, municipalities and private entities. NYPA finances its projects through bond sales to private investors and does not use tax revenue or state credit. NYPA is headquartered in Albany, N.Y., with power plants and offices located throughout New York.

Goldblatt was responsible for purchasing and awarding contracts for millions of dollars in goods and services annually for NYPA's plants and offices. In addition, Goldblatt was responsible for issuing purchase orders, reviewing and authorizing vendor invoices for payment, and monitoring warehouse stock levels. NYPA's policies and procedures include a competitive bidding policy to which Goldblatt was expected to adhere.

These charges arose from an ongoing federal antitrust investigation of bid rigging, bribery, fraud and tax-related offenses in the power generation industry. The investigation is being conducted by the Antitrust Division's New York Field Office, with the assistance of the FBI and IRS Criminal Investigation. NYPA cooperated with the Department's investigation.

Anyone with information concerning bid rigging, bribery, tax offenses or fraud in the power generation industry should contact the Antitrust Division's New York Field Office at 212-264-9308 or the New York Division of the FBI at 212-384-3252.

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