



Department of Justice

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PURCHASING OFFICIAL AT A NEW YORK CITY HOSPITAL PLEADS GUILTY TO BID RIGGING

WASHINGTON — A New York Presbyterian Hospital (NYPH) purchasing official pleaded guilty today to conspiring to rig bids on re-insulation services contracts, the Department of Justice announced today.

Freddy Deoliveira, who held various supervisory positions at the NYPH, pleaded guilty in U.S. District Court in Manhattan. According to the charge, between approximately October 2000 and March 2005, Deoliveira conspired with others to create the appearance that contracts at NYPH were awarded in accordance with NYPH's competitive bid policy, when, in fact, they were not. Deoliveira admitted that he designated which company would submit the low bid on a contract, and which company or companies would submit higher, complementary bids, to ensure that his designated company would be awarded the contract. To create the illusion of a competitive bidding process, Deoliveira's co-conspirators would use each other's letterhead to submit the high, noncompetitive bids. In exchange for awarding the contracts to the designated bidder, Deoliveira received cash kickbacks from his co-conspirators.

The bid rigging violation with which Deoliveira is charged carries a maximum penalty of 10 years in prison and a \$1 million fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victim of the crime, if either of those amounts is greater than the statutory maximum fine.

This charge arose from an ongoing federal antitrust investigation of fraud, bribery, tax-related offenses and bidding irregularities relating to contracts administered by the Facilities Operations Department and the Engineering Department at NYPH and the Engineering Department at Mount Sinai Medical Center. To date, seven individuals and three companies have pleaded guilty to charges arising out of the same investigation. The investigation is being conducted by the Antitrust Division's New York Field Office, the FBI and the Internal Revenue Service Criminal Investigation's New York Field Office.

Anyone with information concerning bid rigging, bribery, tax offenses or fraud related to contracts administered by the Facilities Operations Department at NYPH or the Engineering Departments at Mount Sinai or NYPH should contact the Antitrust Division's New York Field Office at 212-264-9308 or the FBI's New York Division at 212-384-4467.

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