



Department of Justice

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FOUR INDIVIDUALS AND THREE CORPORATIONS INDICTED FOR ROLES IN MAIL AND WIRE FRAUD CONSPIRACIES AT A NEW YORK CITY HOSPITAL

WASHINGTON — A New York City federal grand jury returned an indictment against four individuals and three corporations for participating in mail and wire fraud conspiracies related to contracts for work performed at New York Presbyterian Hospital (NYPH), the Department of Justice announced.

The four-count indictment returned today in U.S. District Court in New York City, charges Michael Yaron and two companies owned by him, Cambridge Environmental & Construction Corp., which does business as National Environmental Associates (Cambridge/NEA), an asbestos abatement company, and Oxford Construction & Development Corp., a construction company, with engaging in wire and mail fraud conspiracies to defraud the NYPH. Also indicted on the same charges are Moshe Buchnik, the current president of two asbestos abatement companies; Emilio “Tony” Figueroa, a former Director of Facilities Operations at NYPH, and Santo Saglimbeni, a former Vice President of Facilities Operations at NYPH; and Artech Corp., a company owned by a relative of Saglimbeni.

According to the indictment, from at least as early as 2000 and continuing through at least January 2008, Saglimbeni awarded asbestos abatement contracts, air monitoring contracts and general construction contracts to Yaron, Buchnik, their companies, Cambridge/NEA and Oxford, and to their co-conspirators, at the same time that Saglimbeni was asking for and receiving cash kickbacks from Yaron and Buchnik. A substantial portion of those kickbacks were funneled by Yaron and Buchnik through various intermediary companies, and eventually to Saglimbeni through Artech, a company Saglimbeni created in a family member’s name to conceal kickbacks, the department said.

Yaron, Buchnik, Saglimbeni, Cambridge/NEA, Oxford and Artech are also charged with wire fraud to achieve the objectives of the conspiracy, as they transferred money electronically from the bank account of one co-conspirator to the bank account of Artech on or about May 5, 2005, the department said in court documents.

The indictment further charges that between at least as early as June 2001 and June 2006, Saglimbeni, Figueroa and their co-conspirators engaged in a mail fraud conspiracy, in which Saglimbeni and Figueroa awarded contracts for the installation and repair of the Heating Ventilation and Air Conditioning Systems (HVAC) at NYPH to a co-conspirator’s company in return for cash kickbacks and other valuable gifts given to Saglimbeni and Figueroa by that co-

conspirator. Saglimbeni and Figueroa are also charged with mail fraud to achieve the fraudulent objectives of the conspiracy, as they caused NYPH to mail a payment on a fraudulently awarded contract to a co-conspirator's company on or about May 5, 2005.

The mail and wire fraud violations that the individuals are charged with each carry a maximum penalty of 20 years in prison and a \$1 million fine. The maximum fine for the charges may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

The indictment also seeks the forfeiture of certain assets as they relate to the kickbacks received in connection with the mail fraud charges in the indictment.

The charges announced today resulted from an ongoing federal antitrust investigation of bid rigging, fraud, bribery and tax-related offenses relating to construction, maintenance and service contracts administered by the Engineering Department of Mount Sinai Medical Center and School of Medicine (Mount Sinai) and the Facilities Operations Department and the Engineering Department of NYPH. To date, eight individuals and three companies have pleaded guilty to charges arising out of this ongoing investigation.

Additionally, two individuals were charged in a three-count indictment unsealed on March 31, 2010, for participating in bid-rigging and tax fraud conspiracies related to contracts at NYPH, and one individual was charged in a three-count indictment returned by the grand jury on April 6, 2010, for participating in bid-rigging and mail fraud conspiracies related to contracts at Mount Sinai. The investigation is being conducted by the Antitrust Division's New York Field Office with 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 Operation 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 212-384-1000 or visit www.justice.gov/atr/contact/newcase.htm.

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