



# Department of Justice

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## **PENNSYLVANIA CONTRACTOR PLEADS GUILTY TO TAX FRAUD CONSPIRACY**

WASHINGTON — The owner of a Langhorne, Penn., asbestos abatement company pleaded guilty to participating in a conspiracy to defraud the Internal Revenue Service (IRS), the Department of Justice announced today.

Andrzej Gosek pleaded guilty in U.S. District Court in Manhattan to one count of a three-count indictment, originally filed under seal on Feb. 18, 2010. The indictment charges Gosek and David Porath, a former owner of a maintenance and insulation company, with participating in a conspiracy to defraud the IRS. This was the only count of the indictment in which Gosek was charged.

According to the indictment, between October 2000 and February 2005, Gosek conspired with Porath to defraud the IRS and to subscribe to false tax returns. Porath gave Gosek checks made out to companies in Brooklyn, N.Y., purportedly for work done at New York Presbyterian Hospital (NYPH) by the Brooklyn companies as sub-contractors to Porath's company. However, the companies had not performed the work. The checks totaled approximately \$229,100 in 2000; \$1.19 million in 2001; \$760,000 in 2002; \$50,000 in 2003; and \$125,000 in 2004.

The Brooklyn companies cashed the checks and Gosek delivered the cash back to Porath, less approximately five percent. Based upon these checks to the Brooklyn companies, Porath took false deductions on his company's and his personal federal tax returns, allowing Porath to fraudulently reduce his taxable income. Count one of the indictment charges Porath with participating in a bid rigging conspiracy at NYPH and count three of the indictment charges Porath with filing a false federal tax return on or about Feb. 17, 2005, which substantially understated his income. Porath is currently under indictment and remains at large.

The tax fraud conspiracy violation that Gosek is charged with carries a maximum penalty of five years in prison and a \$250,000 fine. The maximum fine 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. Sentencing for Gosek is scheduled for March 18, 2011.

Including Gosek, nine individuals and three companies have pleaded guilty to charges arising out of an ongoing federal antitrust investigation of fraud, bribery, tax-related offenses and bidding irregularities relating to the award of contracts by the Engineering Department of NYPH. Nine others have been indicted and are awaiting trial.

The investigation is being conducted by the Antitrust Division's New York Field Office with the assistance of the FBI and the IRS 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 or the Engineering Department at NYPH or the Engineering Department at Mount Sinai 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 <http://www.justice.gov/atr/contact/newcase.htm>.

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