



Department of Justice

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NEW JERSEY PIPE SUPPLY COMPANY AND ITS OWNER PLEAD GUILTY TO FRAUD AND BRIBERY CONSPIRACY IN POWER GENERATION INDUSTRY

Department Said Bribes Paid to Con Edison Purchasing Manager

WASHINGTON — A New Jersey industrial pipe supply company and its owner pleaded guilty today to participating in a conspiracy to commit fraud and pay bribes to a purchasing manager at Consolidated Edison of New York (Con Edison) in return for the manager's efforts to steer contracts to the company, the Department of Justice announced today.

Andrew Martingano of Staten Island, N.Y., and his company, American Pipe Bending and Fabrication Co. Inc. of Edison, N.J., each pleaded guilty today in U.S. District Court in Manhattan to participating in a conspiracy to defraud Con Edison.

According to a one-count felony charge filed on Feb. 1, 2011, against Martingano and American Pipe, Martingano and others agreed to pay approximately \$510,000 in cash bribes to James M. Woodason, a department manager of the purchasing department at Con Edison. In exchange for the bribes, Woodason steered Con Edison industrial pipe supply contracts to American Pipe by secretly providing Martingano with confidential competitor bid information, thereby causing Con Edison to pay higher, non-competitive prices for materials. At the time of Woodason's arrest in August 2010, Woodason had already received approximately \$45,000 in cash bribe payments from Martingano and American Pipe. The department said the conspiracy took place from approximately January 2009 through approximately August 2010.

Con Edison is a regulated utility headquartered in Manhattan. It provides electric service to approximately 3.2 million customers and gas service to approximately 1.1 million customers in New York City and Westchester County, N.Y. Con Edison received more than \$10,000 in federal funding each year between 2003 through 2010.

Martingano and American Pipe are charged with conspiracy, which carries a maximum fine of \$500,000 for companies, and a maximum penalty of five years in prison and a \$250,000 fine for individuals. Each of the maximum fines 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.

Today's pleas arise from an ongoing federal investigation of bid rigging, bribery, fraud and tax-related offenses in the power generation industry. On Nov. 19, 2010, Woodason pleaded guilty in U.S. District Court in Manhattan to charges that he accepted and agreed to accept bribes from American Pipe and another industrial pipe supply vendor. Robert D. Rosenberg, a former sales broker for a Lyndhurst, N.J.-based industrial pipe supply company, pleaded guilty on Dec. 2, 2010, for his role in a conspiracy to defraud Con Edison.

The investigation is being conducted by the Antitrust Division's New York Field Office, with the assistance of the FBI's New York Division and the Internal Revenue Service-Criminal Investigation. Con Edison 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, visit www.justice.gov/atr/contact/newcase.html or contact the FBI's New York Division at 212-384-3252.

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