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TUESDAY, JULY 31, 2012 (202) 514-2007

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**TWO FORMER HOSPITAL EMPLOYEES PLEAD GUILTY TO PARTICIPATING IN KICKBACK SCHEME AT NEW YORK CITY HOSPITAL**

WASHINGTON – Two former high-ranking employees of facilities operations at New York Presbyterian Hospital (NYPH) pleaded guilty today to an indictment charging them with conspiring to defraud NYPH, the Department of Justice announced.

Former vice president of facilities operations, Santo Saglimbeni, and former director of facilities operations, Emilio “Tony” Figueroa, were charged in a four-count superseding indictment filed on June 16, 2011.  Saglimbeni, who was charged on all four counts, was convicted of counts one and two on Feb. 2, 2012. Figueroa, who was charged on counts one, three and four, was convicted on count one on Feb. 2, 2012. Counts three and four were severed from that indictment, and Saglimbeni and Figueroa pleaded guilty in the U.S. District Court in Manhattan to those counts today.

Saglimbeni and Figueroa pleaded guilty today for their participation in a mail fraud conspiracy, which lasted from as early as June 2001 and continued through June 2006. The scheme to defraud NYPH centered on Saglimbeni, who with the assistance of Figueroa, awarded contracts for the installation and repair of heating, ventilation and air conditioning systems (HVAC), to a co-conspirator’s company in return for kickbacks given to Saglimbeni and Figueroa in the form of cash, goods and services from that co-conspirator. Saglimbeni and Figueroa also pleaded guilty to a substantive mail fraud offense based upon a payment made to the co-conspirator by NYPH on an HVAC contract awarded in furtherance of the HVAC conspiracy.

“By awarding contracts in return for kickbacks, Saglimbeni and Figueroa used their positions to subvert the competitive bidding process for essential services at NYPH,” said Joseph Wayland, Acting Assistant Attorney General in charge of the Justice Department’s Antitrust Division. “Today’s guilty pleas demonstrate the Antitrust Division’s commitment to holding purchasing officials accountable for this type of illegal conduct.”

On Feb. 2, 2012, after a four week trial, Saglimbeni and Figueroa were convicted of the first two counts of the indictment. At the trial, 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; Moshe Buchnik, the president of two asbestos abatement companies; and Artech Corporation, a company owned by a relative of Saglimbeni, were also convicted of conspiracy to defraud NYPH. Yaron, his companies, Buchnik, Saglimbeni and Artech were also convicted of a substantive wire fraud violation.

These convictions centered on a scheme to defraud NYPH, whereby Saglimbeni, who with the assistance of Figueroa, awarded asbestos abatement, air monitoring and general construction contracts to Yaron, Buchnik and their companies in return for more than $2.3 million in kickbacks paid to Saglimbeni. Those kickbacks were funneled by Yaron to Saglimbeni through Artech, a sham company Saglimbeni created in the name of his mother.

 Each count of conspiracy to commit mail fraud carries a maximum penalty of 20 years in prison and a fine of $250,000 for individuals. The fine may be increased to twice the gross gain the conspirators derived from the crime or twice the gross loss caused to the victims of the crime by the conspirators.

Including today’s pleas, 15 individuals and six companies have been convicted or pleaded guilty to charges arising out of this federal antitrust investigation. On July 10, 2012, Yaron was sentenced to serve 60 months in jail and Buchnik was sentenced to serve 48 months. Each was sentenced to pay a $500,000 criminal fine. Cambridge/NEA, Oxford and Artech, were each sentenced to pay a $1 million criminal fine.

The investigation was conducted by the Antitrust Division’s New York Field Office with the assistance of the FBI and the Internal Revenue Service - Criminal Investigation’s New York Field Office. The Office of the International Affairs in the Justice Department’s Criminal Division also provided assistance. Anyone with information concerning bid rigging, bribery, tax offenses or fraud related to NYPH should contact the Antitrust Division’s New York Field Office at 212-335-8000, visit www.justice.gov/atr/contact/newcase.htm, or call the FBI’s New York Division at 212-384-1000.

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