

NEWS

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FOR IMMEDIATE RELEASE

May 6, 2009

Two New Jersey Men Admit Conspiracy to Steal \$1.2 Million in Equipment from N.Y. Presbyterian Hospital

(More)

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TRENTON – Two New Jersey men, one a former employee of New York Presbyterian Hospital, pleaded guilty today to conspiring to steal approximately \$1.2 million in medical equipment from the hospital and then reselling it over the Internet at discounted prices, acting U.S. Attorney Ralph J. Marra announced.

Joseph Stamm, 24, of Jersey City, and David Schwartz, 44, of Livingston, pleaded guilty before U.S. District Judge Joel A. Pisano in Trenton. Stamm and Schwartz both also agreed to forfeit the proceeds of their conspiracy. Bail was set at \$100,000 unsecured bond for both men. The defendants are scheduled to be sentenced before Judge Pisano on Aug. 10.

According to separate criminal Informations to which they pleaded guilty, at the time of the conspiracy, Stamm was employed by NYPH as an equipment specialist and Schwartz worked as a sales representative for a medical equipment sales and services company in East Meadow, N.Y. The Informations also alleged that Stamm and Schwartz were assisted by another co-conspirator, identified with the initials J.F., who previously also worked for NYPH as an inventory clerk. The Informations further alleged that the scheme was hatched in or around October 2006 and lasted until August 2008, during which time defendants and J.F. stole a total of approximately \$1.2 million worth of medical equipment from the hospital and received approximately \$330,000 in total profits from the scheme.

At the plea hearing before Judge Pisano, Stamm admitted that he used his position as an employee of NYPH, and his access to the medical inventory, to steal the medical equipment from the hospital. Schwartz and Stamm admitted that Schwartz would then sell the stolen equipment over the Internet to third parties at discounted prices.

Schwartz and Stamm also both admitted that they shared the proceeds of their crime, with defendant Schwartz receiving a total of approximately \$250,000 and defendant Stamm receiving a total of approximately \$50,000.

NYPH is a teaching hospital in New York City that delivers patient care through its medical centers, Columbia University Medical Center and the Weill Cornell Medical Center. NYPH purchased medical equipment and devices, such as surgical staples, dyonic blades and harmonic scalpels, from various manufacturers for use in delivering care to its patients.

The defendants each face a maximum statutory prison sentence of five years and a statutory maximum fine of \$250,000. In determining and actual sentence, Judge Pisano will consult the advisory U. S. Sentencing Guidelines, based upon a formula that takes into account the severity and characteristics of the offenses and the defendants' criminal histories, if any. However, the Sentencing Guidelines are only advisory, and Judge Pisano has wide discretion in imposing sentence. There is no parole in the federal system, and defendants who are given custodial terms must serve nearly all that time.

Acting U.S. Attorney Marra credited Special Agents of the Food and Drug Administration Office of Criminal Investigations, under the direction of Acting Special Agent in Charge Gary Tunkavige, with developing the case. The government is represented by Assistant United States

Attorney Maureen Nakly of the U.S. Attorney's Office in Newark.

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Defense Counsel:

for Schwartz: Howard Borkan, Esq.

for Stamm: Patrick McMahon, Esq.