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FOR IMMEDIATE RELEASE
April 1, 2008

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RETIRED MOUNT VERNON OFFICIAL ARRESTED FOR
ALLEGEDLY ACCEPTING BRIBES FROM WASTE HAULERS

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and MARK J. MERSHON, Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced today the arrest of JAMES CASTALDO on charges that CASTALDO, while employed as a supervisor for the City of Mount Vernon Department of Public Works ("DPW"), accepted bribes from waste haulers in return for allowing the haulers to overbill the City of Mount Vernon by at least \$1.25 million for debris removed from a municipal storage yard. An indictment against waste haulers involved in the alleged scheme was unsealed on March 19, 2008 (the "Indictment"). According to the Indictment and the criminal complaint against CASTALDO unsealed today in Manhattan federal court (the "Complaint"):

A Westchester waste-hauling company, A & D Carting, obtained a contract with the City of Mount Vernon in November 2001 to remove waste from a City storage yard at a price of \$397 per 30-cubic-yard container removed. To bill the City of Mount Vernon under the contract, A & D Carting was required to submit invoices identifying how many 30-cubic-yard containers were removed on particular dates, together with a pre-printed receipt form (commonly referred to as a "ticket") for the removal of each container. The tickets were supposed to be signed by a City of Mount Vernon employee at the yard at the time each container was carted away. From 2002 through March 2006, ALBERT TRANQUILLO III, who controlled and operated A & D Carting together with a relative, and MICHAEL PIZZOLONGO, who helped manage A & D Carting's business, defrauded the City of Mount Vernon by submitting tickets and invoices claiming that far more waste had

been carted away from the yard than had actually been removed.

CASTALDO, who retired in 2005, accepted bribes from A & D Carting as part of A & D Carting's scheme to overbill the City of Mount Vernon. When A & D Carting received checks from Mount Vernon, CASTALDO would call A & D Carting and request a meeting or conversation with TRANQUILLO or his relative. TRANQUILLO and others would then leave an envelope containing cash at a Mount Vernon business for CASTALDO's collection. An employee would then inform CASTALDO that the "pastries were ready" - code that CASTALDO could collect the money.

CASTALDO paid approximately \$12,000 to a DPW employee who worked at the Mount Vernon storage yard. The DPW employee in turn agreed with CASTALDO to initial as many tickets as A & D Carting drivers gave to him, which tickets falsely represented that A & D Carting had carted away far more debris from the Mount Vernon storage yard than had actually been removed. These extra tickets were then mailed to the City of Mount Vernon together with invoices which overstated the amount of waste removed. As a result, the City of Mount Vernon is alleged to have been defrauded of at least \$1.25 million.

CASTALDO, age 61, was arrested at his home this morning in Cape Coral, Florida, where he resides. He appeared in federal court in Fort Myers, Florida this afternoon and was released on bail.

Mr. GARCIA praised the investigative work of the FBI and stated that the investigation is ongoing.

Assistant United States Attorney ARLO DEVLIN-BROWN is in charge of the prosecution.

The charges contained in the Complaint and Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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