



# Department of Justice

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## **FORMER GENERAL ELECTRIC MAINTENANCE MANAGER PLEADS GUILTY TO BID RIGGING AND FRAUD CHARGES REGARDING ROOFING CONTRACTS**

WASHINGTON, D.C. - A former maintenance manager at the General Electric Company's Waterford, New York plant today pleaded guilty to bid rigging and conspiracy to commit mail fraud in connection with a kickback scheme involving roofing contracts in the Albany, New York area, the Department of Justice announced.

Paul Sleasman, formerly a resident of Clifton Park, New York, pleaded guilty today in the U.S. District Court in Albany, New York to charges of bid rigging and conspiracy to commit mail fraud. His guilty plea is the fourth obtained in the government's ongoing investigation of the roofing industry in the Albany area.

According to the charges, from sometime in 1995 until approximately June of 2002, Sleasman participated in an ongoing conspiracy to rig bids for, and allocate roofing contracts awarded by, the General Electric Company's Waterford, New York facility, the Albany Medical Center, and other purchasers of roofing products and services in the State of New York.

Sleasman and co-conspirators are charged with carrying out the conspiracy by:

- Discussing the submission of prospective bids on certain roofing contracts;
- Agreeing among themselves which company would be the low bidder on each of the contracts discussed; and
- Arranging for co-conspirators to submit bids that were intentionally higher.

Additionally, according to court papers, during the conspiracy period, Sleasman received at least \$70,000 in kickbacks from Walter J. Vivenzio on behalf of Waterblock Roofing and

Sheetmetal Inc., to ensure that Sleasman would allocate to Waterblock all of the contracts for roofing products and services awarded by GE Waterford. On May 17, 2005, Waterblock Roofing and Sheetmetal Inc. was sentenced to pay a \$25,000 criminal fine. Its president, Walter J. Vivenzio, was sentenced to pay a \$74,000 criminal fine, to serve 120 hours of community service and five years probation. Waterblock and Vivenzio also were sentenced, jointly and severally, to pay \$78,000 in restitution.

On April 1, 2005, Sean Moran pleaded guilty to bid rigging charges in connection with this conspiracy. He is awaiting sentencing.

Sleasman is charged with bid rigging, a violation of 15 U.S.C. § 1, which carries a maximum penalty for individuals of three years imprisonment and a \$350,000 fine for violations occurring before June 22, 2004. Additionally, the mail fraud conspiracy charge, a violation of 18 U.S.C. § 371, carries a maximum penalty of five years imprisonment and a \$250,000 fine for an individual.

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. In addition, the defendant could be ordered to pay restitution to any victim for the full amount of that victim's loss.

The prosecution of Sleasman is being handled by the Antitrust Division's New York office, with the assistance of the Federal Bureau of Investigation. Anyone with information concerning bid rigging or fraud in the roofing business should contact the New York Field Office of the Antitrust Division at (212) 264-0383, or the Albany Division of the FBI at (518) 456-7551.

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