



Department of Justice

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FORMER NEW YORK CITY PUBLIC SCHOOL EMPLOYEE PLEADS GUILTY TO CONSPIRACY TO DEFRAUD THE CITY'S DEPARTMENT OF EDUCATION

WASHINGTON — A former New York City public school employee pleaded guilty today to participating in a conspiracy to defraud the New York City Department of Education and its predecessor, the Board of Education of the City of New York (collectively, NYCDOE) the Department of Justice announced today. Today's guilty plea is the first charge to result from the Department's ongoing antitrust investigation into bid rigging, bribery and fraud in the industrial maintenance and cleaning supplies industry.

Herbert Eyers Bradley, a retired custodial engineer living in Ft. Lauderdale, Fla., pleaded guilty in U.S. District Court in Manhattan to participating in a conspiracy to commit mail fraud and deprive NYCDOE of its right to the honest services of its employees beginning in approximately 1997 and continuing until approximately early December 2001, the Department said. According to the charge, Bradley received kickbacks in exchange for ensuring that companies associated with his co-conspirator were allocated contracts and, later, for ensuring that he would not invite potential competitors to submit bids.

Bradley's plea agreement with the United States, which is subject to court approval, requires him to set aside \$12,000 in an escrow fund to pay restitution or fines. Additionally, Bradley has agreed to assist the government in its ongoing investigation.

"Any subversion of the bidding process, particularly where public monies are involved, is a destructive practice that will be prosecuted," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "The Antitrust Division is committed to investigating and prosecuting both public employees and private individuals who seek to enrich themselves by defrauding our schools."

In July 1999, NYCDOE began requiring its employees, including custodians, to engage in competitive bidding before making purchases or awarding contracts worth more than \$250 to vendors who were not on NYCDOE's list of approved vendors and to award the contract to the bidder who provided the "maximum quality for the minimum price." In addition, employees are required to submit bid summary sheets for each purchase made under competitive bidding and are required to get written bids for purchases or contracts worth more than \$5,000.

The Department said that some of the money Bradley received was the result of his participation in a phony invoice scheme whereby NYCDOE either did not receive supplies

reflected in the invoices or received only a portion of them. Bradley and his unnamed co-conspirator then shared in the proceeds.

Bradley is charged with conspiracy, a violation of 18 U.S.C. § 371, which carries a maximum penalty of five years of imprisonment and a \$250,000 fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victim, if either of those amounts exceeds the statutory maximum fine.

The ongoing investigation is being conducted by the Antitrust Division and the Office of the Special Commissioner of Investigation for the New York City School District, and the Federal Bureau of Investigation.

Anyone with information concerning bid rigging, bribery, or fraud in the industrial maintenance and cleaning supplies industry, should contact the New York Field Office of the Antitrust Division at 212-264-9308.

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