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FORMER CONSTRUCTION MANAGER FOR TOURO COLLEGE
SENTENCED IN MANHATTAN FEDERAL COURT
TO THREE YEARS IN PRISON FOR COMMERCIAL KICKBACK SCHEME

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that LAWRENCE PESCE, a former construction manager for Touro College, was sentenced today in Manhattan federal court to three years in prison for defrauding Touro College out of more than \$2 million through a commercial kickback scheme. PESCE previously pled guilty to wire fraud on October 12, 2010. United States District Judge BARBARA S. JONES imposed today's sentence.

U.S. Attorney PREET BHARARA said: "Lawrence Pesce was a corrupt employee who deceived Touro College, stealing millions from the very non-profit educational institution whose pocketbook he was supposed to protect. He will now pay for his crimes with jail time."

According to the Information to which PESCE pled, other documents previously filed in this case, and statements made in court:

In May 2008, Touro College sought competitive bids for a construction project located at 230 West 125th Street in Manhattan (the "project"). PESCE was Touro College's construction manager for the project. Prior to bids being received by the college, PESCE reached out to a developer in the region (the "developer"), indicating he could ensure that the developer's company would get the project if the developer agreed to pay him kickbacks. Ultimately, they arranged a scheme to inflate the initial bid and subsequent charges to Touro College by over \$2 million.

After being awarded the contract, the developer was paid approximately \$12.4 million by Touro College over the course

of two years for work on the project. At least \$1 million of that sum was kicked back to PESCE.

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In addition to the prison term, Judge JONES sentenced PESCE, 46, of Bellmore, New York, to three years of supervised release, and ordered him to pay \$2.5 million in restitution to Touro College. PESCE also agreed to forfeit \$1 million and his interest in certain real estate that he purchased with proceeds from his fraud.

While imposing the sentence, Judge JONES observed that PESCE's crime was "brazen," and an "incredible breach of trust to a non-profit institution of learning."

Mr. BHARARA praised the Federal Bureau of Investigation and the Department of Labor, Office of the Inspector General for their outstanding work in investigating this case. He also thanked Touro College for its cooperation in this matter.

This case is being handled jointly by the Office's Complex Frauds and Organized Crimes Units. Assistant U.S. Attorney LISA ZORNBERG is in charge of the prosecution.

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