



***United States Attorney
Southern District of New York***

**FOR IMMEDIATE RELEASE
July 16, 2008**

**CONTACT: U.S. ATTORNEY'S OFFICE
HERBERT HADAD, YUSILL SCRIBNER,
REBEKAH CARMICHAEL, JANICE OH
PUBLIC INFORMATION OFFICE
(914) 993-1900, (212) 637-2600**

**RETIRED MOUNT VERNON OFFICIAL PLEADS GUILTY
IN U.S. COURT TO ACCEPTING BRIBES FROM WASTE HAULERS**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that JAMES CASTALDO, a former high-ranking supervisor for the City of Mount Vernon Department of Public Works, pleaded guilty today to accepting bribes from waste haulers in return for allowing them to overbill the City of Mount Vernon by at least \$1.25 million for the removal of debris from a municipal storage yard.

CASTALDO pleaded guilty before United States District Judge KENNETH M. KARAS in White Plains federal court a two count criminal Information (the "Information") charging bribery and conspiracy to commit mail fraud.

An Indictment against waste haulers involved in the scheme was unsealed on March 19, 2008 (the "Indictment").

According to the Information, the Indictment and the criminal Complaint against CASTALDO unsealed on April 1, 2008, 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 (which is 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, 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, it was charged.

According to the Information and Complaint, CASTALDO and another DPW employee who worked at the Mount Vernon storage yard agreed that the employee would initial as many tickets as A & D Carting drivers gave to him. These 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 significantly 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, who retired in 2005, accepted bribes from A & D Carting as part of the scheme to overbill the City of Mount Vernon. When A & D Carting received checks from Mount Vernon, CASTALDO would call A & D Carting and, using code, request a payment from Tranquillo or his relative. CASTALDO, the Complaint alleges, paid a portion of the bribes he received to the DPW employee who initialed the fraudulent tickets.

CASTALDO, age 61, admitted to Judge KARAS this morning that he had taken bribes from the waste haulers and that he had conspired with them to defraud the City of Mount Vernon. CASTALDO faces a maximum sentence of 30 years' imprisonment as well as financial penalties, including restitution to the City of Mount Vernon. CASTALDO is scheduled to be sentenced on October 24, 2008, at 12 noon.

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 Indictment against the waste haulers are merely accusations, and those defendants are presumed innocent unless and until proven guilty.

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