



*United States Attorney
Southern District of New York*

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**MIDDLETOWN SAFETY CONSULTING FIRM AND ITS PRESIDENT PLEAD
GUILTY TO CONSPIRING TO DEFRAUD THE NYC DEPARTMENT OF ENVIRONMENTAL
PROTECTION AND TO DEFRAUDING THE U.S. ARMY CORPS OF ENGINEERS**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced that IMS SAFETY INC., a corporation based in Middletown, New York, and its President, JOSEPH MAZZURCO, 55, also a part-owner of IMS, pleaded guilty yesterday before United States District Judge KENNETH M. KARAS in White Plains federal court to participating in a conspiracy to defraud the New York City Department of Environmental Protection ("DEP") and to defrauding the U.S. Army Corps of Engineers. According to the Information to which IMS and MAZZURCO pleaded and statements at the plea allocution:

IMS held itself out as a firm specializing in, among other things, regulatory compliance in the area of worker health and safety. IMS was hired by DEP contractors to provide safety oversight at DEP construction sites. DEP contracts required such safety oversight, and required that safety oversight personnel be trained in rules and regulations relating to worker safety and be experienced in the construction industry and in construction safety.

However, from approximately 2006 through January 2008, IMS, MAZZURCO, and others engaged in a scheme in which they made and caused to be made false representations to DEP regarding the experience and training of certain IMS employees so that DEP would approve their appointments to safety oversight positions. These false representations included false representations concerning the employees' experience in the construction industry and with construction safety, and concerning the employees' training on rules and regulations relating to worker health and safety. As a result of the fraud, DEP paid more than \$1 million for jobs performed by IMS employees about whom false representations had been made.

In addition, in 2004, IMS and MAZZURCO engaged in a scheme to defraud the U.S. Army Corps of Engineers by misrepresenting the qualifications of an IMS employee assigned to provide safety oversight at a construction project at the United States Military Academy at West Point, New York. In connection with this scheme, IMS and Mazzurco mailed invoices to obtain payment for that employee's purported safety oversight.

Based on those invoices, the Army Corps of Engineer paid more than \$82,000.

Sentencing is scheduled for September 14, 2009, before Judge KARAS. MAZZURCO faces a maximum sentence of 85 years' imprisonment and, with respect to each of the five counts in the Information (a conspiracy count and four substantive mail fraud counts), a maximum fine of the greatest of \$250,000, twice the gross pecuniary gain derived from the offense or twice the gross pecuniary loss resulting from the offense. IMS faces, with respect to each of the five counts in the Information, a maximum fine of the greatest of \$500,000, twice the gross pecuniary gain derived from the offense, or twice the gross pecuniary loss resulting from the offense. Each defendant has agreed to pay restitution in the amount of \$1,035,000 to DEP and \$82,765 to the Army Corps of Engineers.

Mr. DASSIN praised the efforts of the United States Environmental Protection Agency's Criminal Investigation Division, the United States Department of Labor Office of Inspector General, and the New York City Department of Investigation in connection with this investigation. Mr. DASSIN thanked the New York State Department of Health and the New York State Department of Labor for their assistance in the investigation.

Assistant United States Attorneys MARCIA S. COHEN and ANNE C. RYAN are in charge of the prosecution.

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