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Southern District of New York*

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**QUEENS MAN PLEADS GUILTY IN MANHATTAN FEDERAL COURT
TO FALSIFYING HUNDREDS OF LEAD AND ASBESTOS
TESTS AND INSPECTION REPORTS**

PREET BHARARA, the United States Attorney for the Southern District of New York, WILLIAM V. LOMETTI, the Special Agent in Charge of the New York Area Office of Criminal Enforcement for the United States Environmental Protection Agency ("EPA"), ROSE GILL HEARN, the Commissioner of the New York City Department of Investigation ("DOI"), and MARJORIE FRANZMAN, the Special Agent-in-Charge of the New York Regional Office of the U.S. Department of Labor Office of Inspector General ("DOL-OIG"), announced that SAVERIO TODARO pleaded guilty today to falsifying hundreds of lead and asbestos inspection and testing reports for residences and other locations throughout the New York City area. Among the counts to which TODARO pleaded guilty were several charges for violations of lead regulations promulgated by EPA under the Toxic Substances Control Act. This case marks the first time that criminal charges have been filed under those regulations. TODARO pleaded guilty before United States Magistrate Judge GABRIEL W. GORENSTEIN in Manhattan federal court.

According to the Information to which TODARO pleaded guilty and to statements made during court proceedings:

TODARO was a lead risk assessor certified by the EPA as well as a New York State licensed asbestos air sampling technician. TODARO operated a company called SAF Environmental Corp. ("SAF") through which he purported to perform environmental inspection and testing services -- including lead clearance testing, asbestos air monitoring, and asbestos inspections -- in the New York City area. Over a period of several years, however, TODARO falsified hundreds of lead and asbestos reports and forms, indicating in these false reports that certain inspections and tests had been performed to determine the presence, amount and/or level of lead and/or asbestos when, in fact, they had not.

The False Lead Testing Reports

EPA has found that there are serious long-term negative effects of lead exposure, including learning disabilities, decreased growth, hyperactivity, impaired hearing, and brain damage in children, and nerve disorders, high blood pressure, and reproductive problems in adults. In order to, among other things, reduce childhood exposure to lead, EPA regulations, as well as New York City statutes and regulations, require that persons performing certain lead-based paint activities, including persons such as TODARO performing lead inspections and abatement, be certified by EPA. These statutes and regulations also require that after a lead abatement, certain clearance procedures be performed to ensure that the premises are safe for occupancy. These procedures include dust sampling by qualified personnel and the analysis of the dust samples by a qualified scientific laboratory. Under the EPA and New York City statutes and regulations, if analysis of the dust samples determines that certain specified clearance levels have not been met, additional cleaning and re-testing are required.

In addition, as part of New York City's efforts to limit childhood exposure to lead, the New York City Department of Health ("DOH") administers a lead poisoning prevention program (the "DOH Lead Program"), and the New York City Department of Housing Preservation and Development ("HPD") administers programs to protect New York City residents from lead-based paint hazards (the "HPD Lead Program"). Both DOH and HPD perform inspections to assess lead-based paint hazards, issue violations and orders mandating the abatement and/or remediation of lead-based paint hazards, and review documents submitted to them purporting to reflect the results of clearance testing.

On numerous occasions after November 2001, TODARO purported to perform lead clearance testing in residences in New York City that had been found by New York City officials, through the DOH Lead Program or the HPD Lead Program, to contain lead-based paint hazards and were therefore the subject of lead-based paint violations and orders requiring abatement and/or remediation. However, in many instances, TODARO took no samples and submitted nothing to laboratories for analysis, or took samples but did not submit them to laboratories for analysis. Instead, using actual laboratory reports he had previously received as models, TODARO created fake laboratory reports that stated, in substance, that the premises were safe for occupancy, when, in fact, no laboratory had performed any actual tests to reach that conclusion. In many instances, TODARO sent the bogus lead clearance laboratory reports, together with invoices purporting to be for actual lead clearance testing, to customers in connection with lead-based paint abatements and remediations ordered by DOH and HPD. TODARO also submitted the false laboratory reports to the New York City department -- either DOH or HPD -- that had ordered the abatement and/or remediation.

The False Asbestos Inspection Reports

EPA has also found that inhalation of asbestos can cause lung disease and cancer, and classified asbestos as a known human carcinogen. New York City has rules and regulations intended to reduce human exposure to asbestos fibers. Among other things, those rules and regulations require that, prior to the commencement of certain demolition and other projects, an inspection be performed by a New York City certified asbestos investigator to determine whether asbestos is present and, if so, how much and what kind, and whether the asbestos will be disturbed during the project. One purpose of the inspection is to determine whether or not the project is to be an "asbestos project" which requires the filing of a notice with the City and an abatement prior to commencement of the project. If the project is determined not to be an asbestos project, New York City rules and regulations require that a certified asbestos investigator complete, sign, and affix his or her asbestos investigator seal to a form captioned "Not an Asbestos Project," known generally as an ACP-5, and file that form with the City prior to issuance of a building permit and commencement of the project.

Until approximately February 17, 2004, TODARO was a New York City-certified asbestos investigator, which authorized TODARO to inspect buildings for asbestos and to prepare and file

ACP-5s. On or about February 17, 2004, however, the City of New York suspended TODARO's asbestos investigator certificate, after which TODARO was prohibited from performing building inspections for asbestos and from preparing and filing ACP-5s in the City of New York.

However, despite the suspension of his asbestos investigator certificate, TODARO continued to prepare ACP-5s for filing with the City of New York regarding building projects taking place throughout the city. On numerous occasions, TODARO did so without actually performing an inspection of the premises identified in the ACP-5. In order to make it appear that inspections had actually been performed by a certified asbestos investigator, TODARO prepared backdated ACP-5s that falsely represented that he had performed an asbestos inspection and that he had done so prior to the suspension of his asbestos investigator certificate. TODARO submitted bogus ACP-5s, together with invoices describing the services provided as "Inspect/ACP5," to his customers, at least some of whom billed customers of their own for TODARO's purported services.

The False Asbestos Air Monitoring And Lead Clearance Testing Reports

Certain kinds of demolition and renovation activities in buildings can result in the release of asbestos fibers from building components into the air and the contamination of building components with lead-containing dust. Asbestos fibers in the air can be detected through the taking of air samples and laboratory analysis of those samples ("air monitoring"). Lead contamination of building components can be detected through lead clearance testing.

On hundreds of occasions, TODARO created and caused to be created false laboratory reports purporting to set forth the results of asbestos air monitoring and lead clearance testing performed at sites in which demolition and renovation activities were occurring or had occurred. TODARO then mailed these bogus reports, along with invoices for payment for his purported services, to customers. Those customers included, among others, management companies, landlords, and contractors. Some of TODARO's customers, in turn, billed customers of their own for TODARO's purported services. Moreover, some of the fraudulent invoices submitted by TODARO were ultimately paid for under New York City government programs, administered by HPD, through which buildings in New York City were renovated, demolished, or demolished and re-built (the "HPD Programs"). One purpose of the

HPD Programs was to increase the stock of affordable housing in New York City.

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TODARO, 67, currently resides in Richmond Hill, New York.

TODARO pleaded guilty to an 11-count Information, which charges the following: five counts of false statements, three counts of mail fraud, and three counts of violations of the Toxic Substances Control Act. The false statement counts each carry a maximum sentence of five years in prison. The mail fraud counts each carry a maximum sentence of 20 years in prison. Each of the false statement and mail fraud charges carries a fine of the greatest of \$250,000 or twice the gross gain or loss from the offenses. Each of the Toxic Substances Control Act counts carries a maximum sentence of one year in prison and a fine of the greatest of \$25,000 for each day of violation, \$100,000, or twice the gross gain or loss from the offences.

TODARO is scheduled to be sentenced on June 28, 2010, by United States District Judge KIMBA M. WOOD.

U.S. Attorney PREET BHARARA stated: "Saverio Todaro for years placed his greed ahead of the health and safety of unsuspecting residents and workers of this City, papering over potential lead and asbestos exposures. Working with our extraordinary partners at the EPA, DOI, and DOL-OIG, we will continue in our efforts to protect the public from individuals who would violate our environmental laws and place others in peril."

U.S. EPA Special Agent-in-Charge WILLIAM V. LOMETTI said: "By deliberately falsifying asbestos and lead analyses, Mr. TODARO put the public at potential risk. Today's charges demonstrate our commitment to vehemently prosecute those who intentionally violate environmental laws for selfish motives and/or private gains."

Commissioner ROSE GILL HEARN said: "Mr. Todaro was a one-man paper mill churning out phony lead and asbestos reports. He cared nothing for public safety and profited by duping government regulators. Thanks to the City Health Department's prompt notification to DOI, Todaro's scheme was exposed, shut down and investigated, leading to today's guilty plea. Con artists posing as responsible inspectors beware: DOI and our federal and City partners will continue to work together to

uncover these crimes and ensure they are prosecuted. I also want to thank the City's Department of Housing Preservation and Development for its assistance."

DOL-OIG Special Agent-in-Charge MARJORIE FRANZMAN stated: "The egregious and reprehensible actions of Mr. Todaro exhibited a complete disregard for the health of unsuspecting residents in New York City. Mr. Todaro also placed at risk those workers who perform demolition and renovation work by exposing them to potentially unsafe levels of lead and asbestos. My office will continue to work closely with our law enforcement partners to hold accountable those who violate OSHA safety regulations and worker safety laws."

Mr. BHARARA praised the work of EPA CID, DOI, and DOL-OIG in this investigation. Mr. BHARARA said that the investigation is continuing.

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The website of the Office of the United States Attorney for the Southern District of New York, <http://www.justice.gov/usao/nys>, will contain information about this case. Among other things, the web site will contain an Order entered by United States District Court Judge KIMBA M. WOOD establishing procedures for victim notification in this case. The United States Attorney's Office will be providing individual notice in accordance with that Order. In addition, anyone who believes he or she may be a victim of the crimes in this case may call the United States Attorney's Office Victim-Witness Coordinator at (866) 874-8900.

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This case is being handled by the Office's Complex Frauds Unit. Assistant United States Attorney ANNE C. RYAN is in charge of the prosecution.

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