



*United States Attorney
Southern District of New York*

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**FORMER CONSTRUCTION MANAGER FOR TOURO COLLEGE
PLEADS GUILTY IN MANHATTAN FEDERAL COURT
TO COMMERCIAL KICKBACK SCHEME**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced today the guilty plea of LAWRENCE PESCE, a former construction manager for Touro College, to wire fraud for defrauding Touro College out of more than \$2 million through a commercial kickback scheme. PESCE was previously arrested in this case on June 22, 2010.

According to the Information to which Pesce pled, other documents previously filed in this case in Manhattan federal court, and statements made during the proceeding today:

In or about 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 Touro 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 kickbacks to him. Ultimately, PESCE and the developer arranged a scheme to inflate the initial bid and subsequent charges to Touro College by over \$2 million.

After the developer was awarded the contract by Touro College, and over the next two years, the developer was paid approximately \$12.4 million by Touro College for work on the project. At least \$1 million of that sum was kicked back by the developer to PESCE in various ways.

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PESCE, 45, of Bellmore, New York, faces a maximum sentence of 30 years in prison. He also faces a maximum fine of the greater of \$250,000 or twice the gross gain or loss from the offenses, as well as restitution to the victim of his crime,

Touro College. In addition, as part of his guilty plea, PESCE agreed to forfeit \$1 million and his interest in certain real estate that he purchased with proceeds from his fraud.

Sentencing is scheduled for January 18, 2011, at 11:00 a.m., before U.S. District Judge BARBARA S. JONES.

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.

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

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