UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA : Criminal No.: 07 CRIM. 261

v. : Filed:

MONOSIS, INC.; STU ASSOCIATES; and MICHAEL THEODOROBEAKOS : Violation: 15 U.S.C. § 1

Defendants.

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: APR 04 2007

JUDGE SCHEINDLIN

INFORMATION

The United States of America, acting through its attorneys, charges:

1. Michael Theodorobeakos ("Theodorobeakos"), Monosis, Inc. ("Monosis"), and STU Associates ("STU") are hereby made Defendants on the charge stated below.

COUNT ONE -- SHERMAN ACT CONSPIRACY
(15 U.S.C. § 1)

I. THE RELEVANT PARTIES AND ENTITIES

2. During the period covered by this Information, Theodorobeakos was a 50% owner of Monosis and STU.

3. Monosis and STU are New York corporations and are co-located at the same address in Long Island City, New York. During the period covered by this Information, Monosis and STU were engaged in the business of providing maintenance and insulation services to the Facilities Operations and Engineering Department of New York Presbyterian Hospital ("NYPH") and to the Department of Engineering at Mount

Sinai Medical Center ("Mount Sinai").

4. NYPH has two locations and each location operates its own Facilities Operations and Engineering Department. The "downtown" engineering department location is at 525 East 68 Street, New York, New York, and the "uptown" engineering department location is at 627 West 165 Street, New York, New York.

5. "CC-1" and "CC-2" were co-conspirator purchasing officials in the NYPH downtown engineering department who selected the vendors to perform maintenance and insulation services work for the downtown location.

6. "CC-3" through "CC-6" were co-conspirator purchasing officials in the NYPH uptown engineering department who selected the vendors to perform maintenance and insulation services work for the uptown location.

7. "CC-7" was a co-conspirator purchasing official at Mount Sinai, located in New York, New York. CC-7 selected the vendors to perform maintenance and insulation services work.

8. "CC-8" was a co-conspirator who was an officer of one corporation that provided maintenance and insulation services to NYPH. This corporation was located in New York, New York.

9. "CC-9" was a co-conspirator who was an officer of one corporation that provided maintenance and insulation services to Mount Sinai. This corporation was located in Rutherford, New Jersey.

10. Various other persons and firms, not made defendants herein, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

II. BACKGROUND

11. NYPH maintains a bidding policy to the effect that three bids shall be obtained for all purchases (a) where the value of a single item is over $5,000, (b) the value of a single purchase is over $10,000, (c) the annual value of a product, product line, or service is over $50,000, or (d) otherwise where competitive bidding would be advantageous. Specific exclusions to this policy are those instances where (a) an item is purchased through an available group purchasing agreement or contract/pricing agreement, (b) where an item is deemed to be a sole source purchase and there is adequate justification to be a sole source purchase, and (c) where there is no known alternate source.

12. Mount Sinai also maintains a bidding policy for maintenance and custodial services to the effect that three written bids are required for all purchases greater than $10,000. The only exclusion is where an item is deemed to be a sole source purchase and there is adequate written justification to be a sole source purchase.

13. The defendants and co-conspirators attempted to create the appearance that NYPH and Mount Sinai were awarding contracts in compliance with their respective competitive bidding policy when, in fact, they frequently were not.

14. Beginning in and around 2000 and continuing until approximately March of

2005, CC-1 through CC-6 designated in advance that CC-8 would be the low bidder at NYPH and then, in order to make it appear that certain contracts had been awarded based on competitive bids, Theodorobeakos and CC-8 arranged for CC-8 to submit bids with intentionally high prices in the name of Monosis and STU. At the time, CC-8 provided kickbacks in the form of cash and gifts to CC-1 through CC-6. CC-8 also subcontracted a substantial portion of the work it was awarded at NYPH through the bid rigging scheme to Monosis or STU.

15. Beginning approximately in June of 2004 and continuing through approximately September of 2005, CC-7 designated in advance that Monosis would be the low bidder at Mount Sinai, and then, in order to make it appear that certain contracts had been awarded based on competitive bids, Theodorobeakos and CC-8 arranged for Theodorobeakos to use CC-8's letterhead to submit bids with intentionally high prices in the name of CC-8. In addition, unknown to CC-9, Theodorobeakos used CC-9's letterhead to submit bids with intentionally high prices in the name of CC-9. Sometime in February 2005, Theodorobeakos inadvertently submitted a low bid on CC-9's letterhead. Thereafter, sometime in approximately June of 2005, CC-9 became aware of the use of his letterhead by Theodorobeakos and learned his company had been awarded the job by Mt. Sinai on which Theodorobeakos submitted the inadvertently low bid on behalf of CC-9. CC-9 joined the conspiracy and agreed to perform the work on the contract Mt. Sinai awarded his company.

III. INTERSTATE TRADE AND COMMERCE

16. Beginning in and around 2000 and continuing until September of 2005, pursuant to contracts that are the subject of this Count, NYPH and Mount Sinai purchased substantial quantities of maintenance and insulation services from the defendants and co-conspirators. Materials and equipment were transported across state lines for use in performing some of the aforementioned maintenance and insulation services.

17. The goods of the defendants and co-conspirators with respect to the maintenance and insulation services to NYPH and Mount Sinai, pursuant to contracts that are the subject of this Count, were within the flow of, and substantially affected, interstate trade and commerce.

18. During the period covered by this Count, the defendants and co-conspirators performed maintenance and insulation services pursuant to contracts that are the subject of this Count, and the supplies that were used in performing these maintenance and insulation services for NYPH and Mount Sinai were produced in states other than New York and shipped across state lines in a continuous and uninterrupted flow of interstate commerce.

IV. DESCRIPTION OF THE OFFENSE

19. Beginning in and around 2000 and continuing until September of 2005, the exact dates being unknown to the United States, the defendants and co-conspirators engaged in a combination and conspiracy in unreasonable restraint of interstate trade and

commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

20. The aforesaid combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendants and co-conspirators, the substantial term of which was to rig bids for maintenance and insulation services provided to NYPH and Mount Sinai.

21. For the purpose of forming and effectuating the aforesaid combination and conspiracy, the defendants and co-conspirators did those things which they combined and conspired to do, including, among other things:

a) CC-1 through CC-6, at both NYPH locations, designated in advance that CC-8 would be the lowest bidder, among the co-conspirators, on maintenance and insulation service contracts to NYPH;

b) CC-7 at Mount Sinai designated in advance that Monosis would be the low bidder, among the co-conspirators, on maintenance and insulation services contracts at Mount Sinai;

c) Theodorobeakos and CC-8 agreed that Theodorobeakos would give CC-8 Monosis and STU blank letterhead in order for CC-8 to intentionally prepare and submit high, non-competitive complimentary bids on behalf of Monosis and STU creating the illusion of a competitive bidding process at NYPH;

d) Theodorobeakos and CC-8 agreed that CC-8 would give Thedorobeakos CC-8's blank letterhead in order for Theodorobeakos to intentionally prepare and

submit high, non-competitive complimentary bids on behalf of CC-8 creating the illusion of a competitive bidding process at Mount Sinai;

e) Theodorobeakos used CC-9's blank letterhead to intentionally prepare and submit high, non-competitive complimentary bids on behalf of CC-9 creating the illusion of a competitive bidding process at Mount Sinai;

f) CC-9 became aware of the use of his letterhead by Theodorobeakos and agreed to perform the work on the contract Mt. Sinai awarded his company;

g) CC-8 notified Theodorobeakos that intentionally high, non-competitive complimentary bids were submitted on Monosis and STU letterhead by CC-8 to NYPH.

h) conversely, Theodorobeakos notified CC-8 and CC-9 that intentionally high, non-competitive complimentary bids were submitted on CC-8's and CC-9's letterhead by Theodorobeakos to Mount Sinai.

i) Theodorobeakos was aware that CC-8 paid kickbacks in the form of cash and gifts to CC-1 through CC-6, who were also aware of and participated in the bid rigging scheme at NYPH. These kickbacks were provided at the request of CC-1 through CC-6 in order to frustrate and subvert NYPH's policy of seeking competitive bids for maintenance and insulation service contracts, and for ensuring that potential competitors who were not co-conspirators would not be solicited to bid on such contracts.

j) Theodorobeakos provided kickbacks to CC-7, who was aware of and participated in the bid rigging scheme at Mount Sinai. These kickbacks were provided at the request of CC-7 in order to frustrate and subvert Mount Sinai's policy of seeking competitive bids for maintenance and insulation services, and for ensuring that potential competitors who were not co-conspirators would not be solicited to bid on such contracts.

V. JURISDICTION AND VENUE

22. The aforesaid combination and conspiracy was formed and carried out, in part, within the Southern District of New York within the five years preceding the filing of this Information.

IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1

Dated: April 4, 2007

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