

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

: Criminal No. 09-141
UNITED STATES OF AMERICA :
: Filed:
v. :
: Violation: 18 U.S.C. § 371
NATIONAL INDUSTRIAL SUPPLY, LLC
and VICTOR BOSKI, :
Defendants. :

INFORMATION

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

1. Victor Boski ("Boski") and National Industrial Supply, LLC ("NIS") are hereby made defendants on the charge stated below:

KICKBACK and FRAUD CONSPIRACY
(18 U.S.C. §371)

I. RELEVANT PARTIES AND ENTITIES

During the period covered by this Information:

2. Boski resided in Lebanon, New Jersey.
3. Boski was a co-owner of NIS.

4. NIS was a New Jersey limited liability company located in Middlesex, New Jersey.

5. NIS was a supplier of industrial pipes, valves and fittings that provided supplies and services as a sub-contractor to a prime contractor ("P-C") on environmental remediation projects at the Federal Creosote Superfund Site in Manville, New Jersey ("Federal Creosote") and at the Diamond Alkali Superfund Site in Newark, New Jersey ("Diamond Alkali").

6. "CC-1" was a co-conspirator who was an employee of P-C at Diamond Alkali and at Federal Creosote, and was influential in the award of sub-contracts. CC-1 owned and operated a shell company ("Vendor 1") during his employment with P-C. During the period covered by this Information, Vendor 1 operated out of addresses associated with CC-1's wife's flower shop, CC-1's home and CC-1's parents' home.

7. "CC-2" was a co-conspirator who was the Superintendent for P-C at Diamond Alkali from April 2000 to January 2002, and an Assistant Project Manager/Contracts Administrator ("Contracts Administrator") at Federal Creosote from approximately January 2002 to approximately October 2003. In approximately February 2003, CC-2 formed a shell company, ("Vendor 2"), with an address at CC-1's residence.

8. Whenever in this Information reference is made to any act, deed, or transaction of any corporation, such allegation shall be deemed to mean that the corporation engaged in such act, deed, or transaction by or through its officers, directors, agents, employees, or

representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

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

II. BACKGROUND

10. Federal Creosote was an environmental remediation site in Manville, New Jersey that was partly funded by the United States Environmental Protection Agency ("EPA"). Since late 1999, the United States Army Corps of Engineers ("ACOE") has overseen the procurement process for the remediation of the site. Pursuant to an interagency agreement between the EPA and ACOE, prime contractors were used to perform different functions at the site.

11. P-C was the prime contractor responsible for managing the remedial action at Federal Creosote. The remedial action was divided into separate phases by geographic boundaries. P-C awarded separate sub-contracts under each phase to various vendors. As the prime contractor, P-C was paid a fixed fee plus the cost of the remedial action by the EPA.

12. P-C was required to award sub-contracts at Federal Creosote subject to a competitive bidding policy under the Federal Acquisition Regulation system ("FAR"). The FAR's bidding policy sought to ensure that P-C obtained supplies and services at competitive, fair market prices. P-C was required to solicit at least three competitive bids

before entering into any sub-contract for supplies or services in excess of \$5,000, and award those sub-contracts to the bidder offering the best value, based on cost, quality and timeliness.

13. CC-1 and CC-2 were responsible for soliciting bids from vendors for sub-contracts in excess of \$5,000 and otherwise ensuring that P-C's procurement process at Federal Creosote was in accordance with the FAR. In addition, CC-1 and CC-2 were responsible for acquiring supplies and services in connection with purchases less than \$5,000 at Federal Creosote, which were not subject to the FAR's competitive bidding policy.

14. The FAR also prohibited any person from providing, attempting to provide, soliciting, or attempting to solicit any kickback, including any money, fee, commission, credit, gratuity, gift, thing of value or compensation of any kind for the purpose of improperly obtaining or rewarding favorable treatment in connection with a sub-contract relating to a prime contract.

15. Diamond Alkali is an EPA-designated Superfund site in Newark, New Jersey. The site was divided into three geographic regions, one of which was the 80 and 120 Lister Avenue properties. The EPA initiated emergency remedial action in 1983 with respect to the Lister Avenue properties. An interim remediation plan was later implemented under a consent decree between Tierra Solutions, Inc. ("Tierra Solutions"), the EPA and the New Jersey Department of Environmental Protection for the Lister Avenue properties whereby, under ACOE oversight, Tierra Solutions would be

financially responsible for the remedial action and maintenance of the site. Remedial action began in approximately April 2000 when P-C was selected by Tierra Solutions as the general contractor for the site.

16. At Diamond Alkali, CC-1 and CC-2 were responsible for acquiring supplies and services in connection with purchases less than \$5,000. Sub-contracts above \$5,000 were usually awarded by CC-1 and/or officials in the Niagara Falls, New York office of P-C.

III. DESCRIPTION OF THE OFFENSE

17. From approximately December 2000 until approximately September 2004, the exact dates being unknown to the United States, in the District of New Jersey and elsewhere, Boski, NIS and their co-conspirators, and others known and unknown, unlawfully, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to defraud the United States or an agency thereof, namely the EPA, and to commit offenses against the United States, to wit, to violate Title 41, United States Code, Sections 53(1) and (3) and Title 18, United States Code, Section 1341, in violation of Title 18, United States Code, Section 371.

18. It was a part and an object of the conspiracy that Boski, NIS and their co-conspirators, and others known and unknown, unlawfully, willfully, and knowingly would and did conspire, combine, confederate, and agree to defraud the United States and the EPA, and to commit offenses against the United States, by providing and attempting to provide kickbacks to CC-1 and CC-2 at Federal Creosote and by including the amount

of the kickbacks in the sub-contract prices charged to P-C, thereby causing P-C to charge those inflated prices to the EPA and the United States, in violation of Title 41, United States Code, Sections 53(1) and (3).

19. It was further a part and an object of the conspiracy that Boski, NIS and their co-conspirators, and others known and unknown, unlawfully, willfully, and knowingly, having devised and intending to devise a scheme and artifice to defraud the EPA and Tierra Solutions, including a scheme to obtain money and property from the EPA and Tierra Solutions by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice to defraud, and attempting to do so, would and did place in post offices and authorized depositories for mail matter, and would and did deposit, and cause to be deposited, matters and things to be sent and delivered by the Postal Service and by private and commercial interstate carriers, and would and did take and receive such matters and things therefrom, and would and did cause such matters and things to be delivered by mail and by such carriers according to the directions thereon, and at the places at which they were directed to be delivered by the persons to whom they were addressed, in violation of Title 18, United States Code, Section 1341.

IV. THE MANNER AND MEANS BY WHICH THE CONSPIRACY WAS CARRIED OUT

The manner and means by which the conspiracy was sought to be accomplished included, among others, the following:

20. During some or all of the period between approximately December 2000 until approximately September 2004, it was part of the conspiracy that Boski, NIS, CC-1 and CC-2 agreed to inflate the prices of NIS sub-contracts by approximately \$25,000 at Federal Creosote and approximately \$25,000 at Diamond Alkali. As part of the scheme, CC-1 and CC-2 awarded sub-contracts to NIS at the two sites in return for Boski's payment of kickbacks to CC-1 and CC-2 .

21. It was further part of the conspiracy that Boski, NIS, CC-1 and CC-2 fraudulently inflated the prices of the sub-contracts to include the cost of the kickbacks paid to CC-1 and CC-2, and caused P-C to include the costs of the kickbacks in the prices it charged to the EPA at Federal Creosote and to Tierra Solutions at Diamond Alkali.

22. It was further part of the conspiracy that CC-1 and CC-2 awarded sub-contracts to NIS in return for Boski's payment of kickbacks to CC-1 and CC-2. Boski provided approximately \$30,000 in kickbacks to CC-1 and approximately \$25,000 in kickbacks to CC-2. At the request of CC-1 and CC-2, Boski provided kickbacks that included, but were not limited to, luxury vacations for CC-1, CC-2 and their companions; an air compressor for CC-2; and paying certain business expenses of CC-1's wife's

flower shop. At other times, to conceal their receipt of kickbacks and their pre-arranged agreement to award sub-contracts to NIS, CC-1 and CC-2 instructed Boski to pay kickbacks by issuing NIS checks to Vendor 1 and Vendor 2 pursuant to false invoices issued by Vendor 1 and Vendor 2 to NIS.

V. OVERT ACTS

23. In furtherance of the conspiracy and to effect the illegal objects thereof, the defendants and others known and unknown, committed the following overt acts, among others, in the District of New Jersey and elsewhere:

(a) On or about December 27, 2000, Boski purchased a Caribbean cruise for CC-1 and CC-1's spouse for \$9,583.10;

(b) On or about November 6, 2003, Boski and his co-conspirators caused NIS to issue a fraudulently inflated invoice to P-C pursuant to a purchase order sent through the United States mails. The purchase order was sent through the United States mails from P-C's office in Niagara Falls, New York to Boski's office at NIS in New Jersey; and

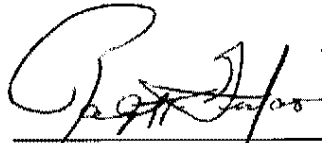
(c) On or about June 22, 2004, in payment of a false and fraudulent Vendor 1 invoice, Boski issued a NIS check to Vendor 1 for \$4,650.00. The check was sent through the United States mails from Boski's office at NIS in New Jersey to CC-1 in New Jersey.

IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 371.

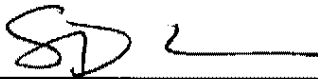
Dated: 9/4/2008



THOMAS O. BARNETT
Assistant Attorney General



RALPH T. GIORDANO
Chief, New York Office



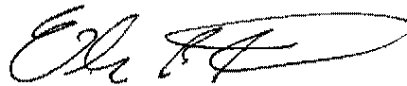
SCOTT D. HAMMOND
Deputy Assistant Attorney General



JEFFREY D. MARTINO



MARC SIEGEL
Director of Criminal Enforcement
Antitrust Division
U.S. Department of Justice



ELIZABETH PREWITT



HELEN CHRISTODOULOU
Attorneys, Antitrust Division
U.S. Department of Justice
26 Federal Plaza, Room 3630
New York, New York 10278
(212) 264-0653