UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

Plaintiff,

v.

MICHAEL YARON,
MOSHE BUCHNIK,
SANTO SAGLIMBENI,
EMILIO A/K/A "TONY" FIGUEROA,
CAMBRIDGE ENVIRONMENTAL
& CONSTRUCTION CORP., D/B/A
NATIONAL ENVIRONMENTAL
ASSOCIATES,
OXFORD CONSTRUCTION &
DEVELOPMENT CORP., and
ARTECH CORP.

Defendants.

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10 CRIM 363

Filed:

Violations:
18 U.S.C. § 1349
18 U.S.C. § 1343
18 U.S.C. § 1341
18 U.S.C. § 981(a)(1)(C)

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: 27 APR 2010

FILED DANIELS

INDICTMENT

The Grand Jury charges:

COUNT ONE
WIRE FRAUD CONSPIRACY
(18 U.S.C. § 1349)

1. MICHAEL YARON, MOSHE BUCHNIK, SANTO SAGLIMBENI, OXFORD CONSTRUCTION & DEVELOPMENT CORP., CAMBRIDGE

ENVIRONMENTAL & CONSTRUCTION CORP., D/B/A NATIONAL ENVIRONMENTAL ASSOCIATES, and ARTECH CORP. are hereby indicted and made defendants on the charge stated below.

I. THE RELEVANT PARTIES AND ENTITIES

During the period covered by this Count:

2. Defendant MICHAEL YARON (hereinafter "YARON"), resided in Meadowbrook, Pennsylvania. Defendant YARON was an owner and controlled defendant OXFORD CONSTRUCTION & DEVELOPMENT CORP., (hereinafter "OXFORD") that was located at One Penn Plaza, New York, New York, and was in the business of providing construction services. Defendant YARON was also the owner of defendant CAMBRIDGE ENVIRONMENTAL & CONSTRUCTION CORP., D/B/A NATIONAL ENVIRONMENTAL ASSOCIATES (hereinafter "CAMBRIDGE/NEA") that was located in Meadowbrook, Pennsylvania, and was in the business of providing asbestos abatement services.

3. Defendant MOSHE BUCHNIK (hereinafter "BUCHNIK"), resided in Richboro, Pennsylvania. Defendant BUCHNIK was the president of Company-1 and Company-2 that were located at his residence in Richboro, Pennsylvania, and were in the business of providing asbestos abatement services. Portions of the money Company-1 and Company-2 earned were deposited into defendant CAMBRIDGE/NEA's bank account.

4. Defendant SANTO SAGLIMBENI (hereinafter "SAGLIMBENI") resided in Armonk, New York. SAGLIMBENI was a Director of Facilities Operations and the Director of Engineering at New York Presbyterian Hospital (hereinafter "NYPH") through 2005 and the Vice President of Facilities Operations through January 2008. At all times, during the period covered by this count, defendant SAGLIMBENI had the authority to select vendors to perform various services, including construction, asbestos abatement and asbestos monitoring.

5. Defendant ARTECH CORP. (hereinafter "ARTECH") was located in Yonkers, New York. Defendant ARTECH was owned by a relative of defendant SAGLIMBENI.

6. "CC-1" and "CC-2" were co-conspirators who owned Company-3 and its successor, respectively, which provided air monitoring services to NYPH and consulting services to NYPH for the selection of companies to perform asbestos abatement services. Defendant YARON set up and controlled Company-3 and its successor. As consultants to NYPH, Company-3 and its successor solicited bids for asbestos abatement services at NYPH. Company-3 and its successor were located in Brooklyn, New York and New York, New York. Portions of the money Company-3 and its successor earned were deposited into defendant CAMBRIDGE/NEA's bank accounts.

7. "CC-3" was a co-conspirator who owned a company that performed construction services that was located in Philadelphia, Pennsylvania.

8. "CC-4" and "CC-5" were co-conspirators who owned a travel agency and construction companies located in Brooklyn, New York.

9. "CC-6" was a co-conspirator who owned a company that performed construction services that was located in Washington, D.C. During part of the period charged in this Count, CC-6 was employed as a consultant by defendant OXFORD.

10. "CC-7" was a co-conspirator who owned a company that was a wholesaler of nondurable goods, specializing in "variety" store merchandise that was located in Philadelphia, Pennsylvania.

11. Whenever in this Count 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.

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

II. DEFINITIONS

13. "Asbestos abatement services" is the removal of asbestos-containing material and must be performed in accordance with federal, state and local law.

14. "Air monitoring services" includes the testing of air samples to detect

asbestos particles before, during and after an asbestos abatement project.

15. "Construction services" includes performing the duties associated with construction management and/or project management.

III. BACKGROUND

During the period covered by this Count:

16. NYPH had facilities at 525 East 68 Street, New York, New York, and 627 West 165 Street, New York, New York. NYPH maintained a competitive bidding policy to the effect that three bids were obtained for all purchases where: (a) the value of a single item was over $5,000; (b) the value of a single purchase was over $10,000; (c) the annual value of a product, product line, or service was over $50,000; or (d) otherwise where competitive bidding was advantageous. Specific exclusions to this policy were those circumstances where: (a) an item was purchased through an available group purchasing agreement or contract/pricing agreement; (b) an item was deemed to be a sole source purchase if there was adequate justification; (c) there was no known alternate source; (d) the purchases were so complex that compliant bids were not expected; or (e) the Chief Resource Officer or Director determined that a negotiated purchase would be used.

17. NYPH prohibited bids to be shared with the bidders prior to the award of any contract.

18. Defendant SAGLIMBENI had responsibility for obtaining bids from vendors, and awarding contracts in accordance with NYPH's policies and procedures,

including NYPH's competitive bidding policy described in paragraphs 16 and 17 above.

19. NYPH maintained a policy prohibiting employees, including defendant SAGLIMBENI, from accepting from any vendor any gift if such action could be construed as an attempt to influence its employees improperly in the exercise of their business judgement. Gifts of money were never permissible. Entertainment or other gifts from vendors were to be no more than nominal value, were to be disclosed to the employee's supervisor, and such payments or gifts in the aggregate must not have been of sufficient magnitude to affect the employee's business judgement.

20. A New York City Department of Environmental Protection (hereinafter "DEP") regulation required that any air monitoring company be completely independent of any asbestos abatement company that was performing work on the same asbestos abatement project.

IV. DESCRIPTION OF THE OFFENSE

21. From at least as early as 2000 and continuing through at least January 2008, the exact dates being unknown to the Grand Jury, in the Southern District of New York and elsewhere, the defendants, their co-conspirators, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, to violate Title 18, United States Code, Section 1343, in violation of Title 18, United States Code, Section 1349.

22. It was a part and an object of the conspiracy that the defendants and their co-conspirators, and others known and unknown, unlawfully, willfully and knowingly, would and did devise and intend to devise a scheme and artifice to defraud NYPH, and to obtain money and property from NYPH by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice, and attempting to do so, would and did transmit and cause to be transmitted in interstate commerce by means of wire communications certain writings, signs, signals and sounds, in violation Title 18, United States Code, Section 1343.

V. 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:

23. From at least as early as 2000 and continuing through at least January 2008, Defendants YARON and BUCHNIK paid kickbacks to defendant SAGLIMBENI and engaged in other fraudulent schemes for the purpose of defendant SAGLIMBENI steering air monitoring services, asbestos abatement services, and later, construction services contracts at NYPH to companies owned or controlled by defendant YARON and/or defendant BUCHNIK.

Asbestos Kickback Scheme

24. From at least as early as 2000 and continuing through at least January 2008, defendants YARON and BUCHNIK paid kickbacks to defendant SAGLIMBENI in

order for Company-1 to be awarded asbestos abatement projects at NYPH.

25. From at least as early as 2000 and continuing through at least January 2008, defendants YARON and BUCHNIK paid kickbacks to defendant SAGLIMBENI in order for Company-3 and its successor to be the consultant at NYPH and the air monitoring company on the asbestos abatement projects performed by Company-1 at NYPH.

26. From at least as early as 2000 and continuing through at least January 2008, defendant YARON, through his control of Company-1 and Company-3, violated DEP regulations because Company-1 and Company-3 were not completely independent of one another.

27. NYPH was unaware that defendants YARON and BUCHNIK paid kickbacks to defendant SAGLIMBENI in return for the asbestos abatement and air monitoring work at NYPH being awarded to companies controlled and/or owned by defendant YARON and/or defendant BUCHNIK.

Scheme to Funnel Kickbacks to Defendant SAGLIMBENI Through Defendant ARTECH

28. In and around 2003, defendant ARTECH was created by defendant SAGLIMBENI in order to conceal the kickbacks he received from defendants YARON and BUCHNIK. In return for the kickbacks, defendant SAGLIMBENI influenced the award of construction services contracts, asbestos abatement services contracts and air monitoring services contracts at NYPH to companies owned and/or controlled by

defendants YARON and BUCHNIK.

29. To conceal the existence of the kickbacks, defendants YARON and BUCHNIK caused defendants OXFORD and CAMBRIDGE/NEA to funnel payments to defendant ARTECH for the benefit of defendant SAGLIMBENI through five companies and one individual, namely, Company-2, companies owned by CC-3 through CC-7, and CC-7 through the following fraudulent transactions:

a) On several occasions, defendants OXFORD and CAMBRIDGE/NEA paid Company-2, which was owned by defendant BUCHNIK, for purported professional services purportedly provided by Company-2. In turn, Company-2 paid defendant ARTECH substantially the same amount on or about the same dates for purported construction services;

b) On several occasions, defendants OXFORD and CAMBRIDGE/NEA paid CC-3's company for construction services purportedly provided by defendant ARTECH to defendant YARON that, in fact, never occurred. In turn, defendant YARON instructed CC-3 to pay defendant ARTECH substantially the same amount on or about the same dates it received payment from defendants OXFORD and CAMBRIDGE/NEA. The remainder of the money CC-3 received from defendants OXFORD and CAMBRIDGE/NEA was a commission for transferring this money from Yaron to defendant SAGLIMBENI through defendant ARTECH;

c) On two occasions, defendants OXFORD and CAMBRIDGE/NEA paid

CC-4's and CC-5's company for supplies that were never provided. In turn, defendant BUCHNIK instructed CC-4 and CC-5 to pay defendant ARTECH substantially the same amount on or about the same dates;

d) On several occasions, defendants OXFORD and CAMBRIDGE/NEA paid CC-6's company for survey, abatement and construction services purportedly provided by CC-6's company to defendant CAMBRIDGE/NEA. In turn, CC-6's company paid defendant ARTECH substantially the same amount on or about the same dates; and

e) Defendant YARON requested CC-7 to make a purported "loan" to him, and further instructed CC-7 to send the "proceeds" of that purported "loan" to defendant ARTECH. Thereafter, defendant YARON caused defendant CAMBRIDGE/NEA to pay CC-7 substantially the same amount as repayment of that "loan".

30. Defendant SAGLIMBENI received kickbacks from defendants YARON and BUCHNIK without the knowledge or approval of NYPH.

VI. OVERT ACTS

31. 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 Southern District of New York, and elsewhere:

a) On numerous occasions, defendants YARON, BUCHNIK and SAGLIMBENI caused defendant ARTECH to deposit checks from third parties with

bank accounts outside New York into defendant ARTECH's bank account located in the Southern District of New York, which checks were cleared by wire communications between the financial institutions.

b) On numerous occasions, defendant SAGLIMBENI fraudulently caused NYPH to issue purchase orders awarding work to defendant OXFORD and Company-1 which were located in the Southern District of New York.

IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1349.

COUNT TWO
WIRE FRAUD
(18 U.S.C. § 1343)

The Grand Jury further charges:

32. YARON, BUCHNIK, SAGLIMBENI, OXFORD, CAMBRIDGE/NEA, and ARTECH are hereby indicted and made defendants on the charge stated below in Count Two:

33. Paragraphs 2 through 10, 13 through 20 and 23 through 30 of Count One of this Indictment are repeated, realleged, and incorporated in Count Two as if fully set forth in this Count.

VII. DESCRIPTION OF THE OFFENSE

34. On or about May 5, 2005, in the Southern District of New York and elsewhere, the defendants and others known and unknown, unlawfully, willfully, and knowingly, having devised and intending to devise a scheme and artifice to defraud

NYPH, and to obtain money and property from NYPH by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice, and attempting to do so, did transmit and cause to be transmitted in interstate commerce by means of wire communications certain writings, signs, signals and sounds, to wit, the defendants participated in a scheme whereby in exchange for kickbacks from defendants YARON and BUCHNIK, defendant SAGLIMBENI fraudulently caused over $42,000,000 in contracts to be awarded by NYPH to defendant OXFORD, Company-1, Company-3 and its successor.

35. The use of the wires in furtherance of this scheme included the following: on approximately May 5, 2005, defendant ARTECH deposited into its financial account in the Southern District of New York a $71,500 check from CC-4's company's financial account in Philadelphia, Pennsylvania, which was cleared by wire communications between the financial institutions.

IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1343.

COUNT THREE
MAIL FRAUD CONSPIRACY
(18 U.S.C. § 1349)

The Grand Jury further charges:

36. SAGLIMBENI and EMILIO A/K/A "TONY" FIGUEROA are hereby indicted and made defendants on the charge stated below in Count Three.

37. Paragraphs 4, 11, 12, and 16 through 19 of Count One of this Indictment are

repeated, realleged, and incorporated in Count Three as if fully set forth in this Count.

VIII. THE RELEVANT PARTIES AND ENTITIES

During the period covered by this Count:

38. Defendant SAGLIMBENI had the authority to select various vendors to perform work at NYPH, including but not limited to vendors in the business of installing and repairing heating, ventilation and air conditioning systems ("HVAC").

39. Defendant EMILIO A/K/A "TONY" FIGUEROA (hereinafter "FIGUEROA") was a Building System Manager at NYPH through 2005 and a Director of Facilities Operations through March 2008. At all times, during the period covered by this Count, defendant FIGUEROA had the ability to select vendors to perform work at NYPH, including but not limited to vendors that performed HVAC work. Defendant FIGUEROA also had the ability to influence defendant SAGLIMBENI's selection of HVAC vendors at NYPH.

40. "CC-8" was a co-conspirator who owned a company located in Rockville Centre, New York, that was engaged in the business of providing HVAC services at NYPH.

IX. DESCRIPTION OF THE OFFENSE

41. Beginning at least as early as June 2001 and continuing through at least June 2006, the exact dates being unknown to the Grand Jury, in the Southern District of New York and elsewhere, defendants SAGLIMBENI and FIGUEROA, and others known

and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States of America, to wit, to violate Title 18, United States Code, Section 1341, in violation of Title 18, United States Code, Section 1349.

42. It was a part and object of the conspiracy that defendant SAGLIMBENI, defendant FIGUEROA, and their co-conspirators, unlawfully, willfully, and knowingly, would and did devise and intend to devise a scheme and artifice to defraud NYPH, and to obtain money and property from NYPH by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice, and attempting to do so, would and did place in post offices and authorized depositories for mail matter, matters and things to be sent and delivered by the Postal Service, and deposit and cause to be deposited matters and things to be sent or delivered by private and commercial interstate carriers, and take and receive therefrom, such matters and things, and knowingly cause to be delivered by mail and such carriers according to the directions thereon, or at the place at which they were directed to be delivered by the persons to whom they were addressed such matters and things, in violation of Title 18, United States Code, Section 1341.

X. 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.

43. During all or some of the period between at least as early as June 2001 and continuing through at least June 2006, CC-8 paid kickbacks in the form of cash, goods and services to defendant SAGLIMBENI in order to ensure that defendant SAGLIMBENI would award HVAC contracts at NYPH to CC-8's company.

44. During all or some of the period between at least as early as June 2001 and continuing through at least June 2006, CC-8 paid kickbacks in the form of cash, goods and services to defendant FIGUEROA in order to ensure that defendant FIGUEROA would award HVAC contracts at NYPH to CC-8's company.

45. At no time did defendant SAGLIMBENI, defendant FIGUEROA or any of their co-conspirators disclose to NYPH the receipt of cash, goods and services by defendant SAGLIMBENI or defendant FIGUEROA in return for the award of HVAC contracts to CC-8's company. All such kickbacks were made without the knowledge or approval of NYPH.

XI. OVERT ACTS

46. 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 Southern District of New York, and elsewhere:

a) On numerous occasions, between at least as early as June 2001 and continuing through at least June 2006, defendants SAGLIMBENI and FIGUEROA

caused NYPH to issue purchase orders to CC-8's company. Some of these purchase orders were sent through the United States mails from NYPH's offices in the Southern District of New York to the office of CC-8's company; and

b) On numerous occasions, between at least as early as June 2001 and continuing through at least June 2006, CC-8 paid numerous kickbacks to defendants SAGLIMBENI and FIGUEROA in the form of cash, goods and services in order to obtain HVAC contracts at NYPH.

IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1349.

COUNT FOUR
MAIL FRAUD
(18 U.S.C. § 1341)

The Grand Jury further charges:

47. SAGLIMBENI and FIGUEROA are hereby indicted and made defendants on the charge stated below in Count Four:

48. Paragraphs 4, 11, 12, 16 through 19 of Count One, and paragraphs 38 through 40 and 43 through 45 of Count Three of this Indictment are repeated, realleged, and incorporated in Count Four as if fully set forth in this Count.

XII. DESCRIPTION OF THE OFFENSE

49. On or about May 5, 2005, in the Southern District of New York and elsewhere, defendant SAGLIMBENI, defendant FIGUEROA and their co-conspirators, having devised and intending to devise a scheme and artifice to defraud NYPH, and to

obtain money and property from NYPH by means of false and fraudulent pretenses, representations, and promises, unlawfully, willfully, and knowingly, for the purpose of executing such scheme and artifice, and attempting to do so, would and did place in post offices and authorized depositories for mail matter, matters and things to be sent and delivered by the Postal Service, and deposit and cause to be deposited matters and things to be sent or delivered by private and commercial interstate carriers, and take and receive therefrom, such matters and things, and knowingly cause to be delivered by mail and such carriers according to the directions thereon, or at the place at which they were directed to be delivered by the persons to whom they were addressed such matters and things.

50. The use of the mails in furtherance of this scheme included the following: on approximately May 5, 2005, defendants SAGLIMBENI and FIGUEROA knowingly caused NYPH to mail a check that included payment on a purchase order in the amount of $12,514 from NYPH's offices in the Southern District of New York to CC-8's company that was located in Rockville Centre, New York, for payment on work fraudulently awarded to CC-8's company by defendants SAGLIMBENI and FIGUEROA in exchange for kickbacks to them.

IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1341.

NOTICE OF FORFEITURE

51. The allegations contained in Counts One and Two of this Indictment are repeated, realleged and incorporated by reference as though fully set forth herein for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code 2461. As a result of committing wire fraud and the conspiracy to commit wire fraud in violation of Title 18, United States Code, Sections 1343 and 1349 alleged in Counts One and Two, defendants YARON, BUCHNIK, SAGLIMBENI, OXFORD, CAMBRIDGE/NEA and ARTECH, shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code 2461, any property, real or personal, that constitutes or is derived from proceeds traceable to the commission of the offenses.

Substitute Assets

52. If any of the property subject to forfeiture, as a result of any act or omission of the defendants:

(a) cannot be located upon exercise of due diligence;

(b) has been transferred or sold to, or deposited with, a third party;

(c) has been placed beyond the jurisdiction of the Court;

(d) has been substantially diminished in value; or

(e) has been commingled with other property which cannot be divided without difficulty; it is the intent of the United States, pursuant to Title 28, United

States Code, Section 2461(c), incorporating 21 U.S.C. § 853(p), to seek forfeiture of any other property of the defendants up to the value of the property subject to forfeiture, including but not limited to the following property:

(1) Any interest in the real property and appurtenances thereto known as 7 Whispering Fields Court, Southampton, New York, in the County Clerk and Register of Suffolk County, New York; and

(2) Any interest in the property in accounts: #xxxxxxxxx7508 and #xxxxxxxx7511 at Wachovia Bank, N.A.; #xxxxxx3025 and #xxxxxx9135 at TD Bank North, N.A.; #xxxxxxxxx3465 and #xxxxxxxxx3466 at JP Morgan Chase Bank; #xxxx4854 and #xxxx7403 at Citibank N.A.; #xxxxxxx6418 at Bank of America; #xxxxx0780 at

HSBC Bank U.S.A., N.A.; and #xxxxxx0856 at Bank of New York Mellon.

ALL PURSUANT TO 18 UNITED STATES CODE, SECTION 981(a)(1)(C) AND 28 UNITED STATES CODE, SECTION 2461(c).

Dated:

A TRUE BILL:

FOREPERSON

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