



Department of Justice

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FORMER PURCHASING OFFICIAL AT A NEW YORK CITY HOSPITAL INDICTED FOR BID RIGGING AND FRAUD CONSPIRACY

WASHINGTON — A New York City federal grand jury returned an indictment against a former Mount Sinai Medical Center and School of Medicine purchasing official today for participating in bid-rigging and fraud conspiracies related to contracts for work performed at Mount Sinai, the Department of Justice announced.

The three-count indictment returned today in U.S. District Court in New York City, charges Mario Perciavalle, a former purchasing official at Mount Sinai, with engaging in a conspiracy to rig bids on Mount Sinai contracts for maintenance and insulation services between June 2004 and September 2005. Perciavalle and his co-conspirators took steps to create the appearance that Mount Sinai was awarding contracts based on competition, when, in fact, they submitted, or caused to be submitted, intentionally high, non-competitive bids to Mount Sinai on these contracts.

The indictment further charges that between March 2003 and September 2005, Perciavalle and a co-conspirator engaged in a mail fraud conspiracy, in which Perciavalle awarded work at Mount Sinai to that co-conspirator's company at the same time he was asking for and receiving cash kickbacks from the co-conspirator. Perciavalle is also charged with mail fraud as a result of payments mailed by Mount Sinai to Perciavalle's co-conspirator for work done on the rigged contracts.

The bid-rigging violation that Perciavalle is charged with carries a maximum penalty of 10 years in prison and a \$1 million fine. The fraud conspiracy that Perciavalle is charged with carries a maximum penalty of 20 years in prison and a \$1 million fine. The maximum fine for both of the charges may be increased to twice the gain derived from the crime or twice the loss suffered by the victim of the crime, if either of those amounts is greater than the statutory maximum fine.

The charges announced today resulted from an ongoing federal antitrust investigation of bid rigging, fraud, bribery and tax-related offenses relating to construction, maintenance and service contracts administered by the Engineering Department of Mount Sinai and the Facilities Operations Department and the Engineering Department at New York Presbyterian Hospital (NYPH). To date, eight individuals and three companies have pleaded guilty to charges arising out of this ongoing investigation. Additionally, two individuals were charged in a three-count indictment unsealed on March 31, 2010, for participating in bid-rigging and tax fraud

conspiracies related to contracts at NYPH. The investigation is being conducted by the Antitrust Division's New York Field Office, the FBI and the Internal Revenue Service Criminal Investigation's New York Field Office.

Anyone with information concerning bid rigging, bribery, tax offenses or fraud related to contracts administered by the Facilities Operation Department at NYPH or the Engineering Departments at Mount Sinai or NYPH should contact the Antitrust Division's New York Field Office at 212-264-9308 or the FBI's New York Division at 212-384-1000 or visit <http://www.justice.gov/atr/contact/newcase.htm>.

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