



# Department of Justice

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## **NEW JERSEY PIPE SUPPLY COMPANY AND OWNER SENTENCED FOR THEIR ROLE IN FRAUD AND BRIBERY CONSPIRACY IN POWER GENERATION INDUSTRY**

***Owner Sentenced to Serve 60 Months in Prison and to Pay a Total of \$422,000 in Fines and Restitution; Company Sentenced to Pay a Total of \$847,000 in Fines and Restitution***

WASHINGTON — A New Jersey industrial pipe supply company and its owner were sentenced today for participating in a conspiracy to commit fraud and pay bribes to a purchasing manager at Consolidated Edison of New York (Con Ed) in return for the manager's efforts to steer contracts to the company, the Department of Justice announced.

Bernard Grobart of New York City was sentenced in U.S. District Court in Manhattan by Judge Paul G. Gardephe to serve 60 months in prison and to pay a \$125,000 criminal fine. Teneyck Inc., formerly known as Neill Supply Co. Inc. of Lyndhurst, N.J., was sentenced to pay a \$550,000 criminal fine. Grobart and Teneyck were also sentenced to pay \$297,000 in restitution, jointly and severally with their co-conspirators, to the victim, Con Ed. The company and its owner pleaded guilty on March 23, 2011, to participating in a conspiracy to defraud Con Ed from approximately November 2003 through approximately August 2008. Grobart also pleaded guilty to an obstruction count for instructing a subordinate employee at the company to delete an electronic document that was subpoenaed by the government.

According to court documents, Grobart and Robert D. Rosenberg, a former sales broker for Neill Supply, paid approximately \$297,000 in cash bribes to James M. Woodason, a department manager of the purchasing department at Con Ed. In return, Woodason steered Con Ed industrial pipe supply contracts to Neill Supply by secretly providing Neill Supply with confidential competitor bid information, thereby causing Con Ed to pay higher, non-competitive prices for materials. According to court documents, Grobart also directed an employee of Neill Supply to destroy an electronic document that tallied the bribe payments in order to prevent the production of the document to a federal grand jury.

Con Ed is a regulated utility headquartered in Manhattan. It provides electric service to approximately 3.2 million customers and gas service to approximately 1.1 million customers in New York City and Westchester County, N.Y. Con Ed received more than \$10,000 in federal funding each year between 2003 through 2010. Con Ed cooperated with the department's investigation.

Including Grobart and Neill Supply, a total of four individuals and two companies have been charged as part of this investigation. On Dec. 9, 2011, Woodason was sentenced in U.S. District Court in Manhattan by Judge Denise L. Cote to serve 70 months in prison, to pay a \$12,500 criminal fine and to pay approximately \$528,000 in restitution, jointly and severally with his co-conspirators, to Con Ed. The remaining defendants are awaiting sentencing.

The charges arose from an ongoing federal antitrust investigation of bid rigging, bribery, fraud and tax-related offenses in the power generation industry. The investigation is being conducted by the Antitrust Division's New York Field Office, with the assistance of the FBI and the Internal Revenue Service-Criminal Investigation. Anyone with information concerning bid rigging, bribery, tax offenses or fraud in the power generation industry should contact the FBI's New York Division at 212-384-3720 or the Antitrust Division's New York Field Office at 212-335-8000, or visit [www.justice.gov/atr/contact/newcase.htm](http://www.justice.gov/atr/contact/newcase.htm).

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