



Department of Justice

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TWO FORMER HOSPITAL EMPLOYEES SENTENCED TO SERVE TIME IN PRISON FOR PARTICIPATING IN KICKBACK SCHEMES AT NEW YORK CITY HOSPITAL

WASHINGTON – Two former high-ranking employees of facilities operations at New York Presbyterian Hospital (NYPH) were sentenced in U.S. District Court for the Southern District of New York, in Manhattan, by Judge George B. Daniels today for their participation in two separate conspiracies involving kickbacks, the Department of Justice announced today.

Santo Saglimbeni, a former vice president of facilities operations at NYPH, was sentenced to serve 48 months in prison and ordered to pay a \$250,000 criminal fine. Emilio “Tony” Figueroa, a former director of facilities operations at NYPH, was sentenced to serve 36 months in prison and ordered to pay a \$25,000 criminal fine. Saglimbeni and Figueroa were ordered to jointly and severally pay \$603,982 in total restitution to NYPH. Judge Daniels also entered a preliminary order of forfeiture for \$2.3 million, which included certain bank accounts into which the kickback money from one of the schemes was deposited, as well as a parcel of land purchased with a portion of the kickback money, in Southampton, N.Y.

“Today’s sentences are consistent with the serious nature of the crimes for which the individuals were convicted,” said Acting Assistant Attorney General Joseph Wayland in charge of the Department of Justice’s Antitrust Division. “The division remains committed to holding accountable corrupt purchasing officials who undermine the competitive bidding process for their personal gain.”

On Feb. 2, 2012, after a four-week trial, Saglimbeni and Figueroa, along with Michael Yaron and two companies owned by him—Cambridge Environmental & Construction Corp., doing business as National Environmental Associates (Cambridge/NEA), and Oxford Construction & Development Corp.; Moshe Buchnik, the president of an asbestos abatement company doing business at NYPH; and Artech Corp., a sham company Saglimbeni created in the name of his mother, were each convicted of conspiracy to defraud NYPH. Additionally, Yaron, Cambridge/NEA, Oxford, Buchnik, Saglimbeni and Artech were also convicted of a wire fraud violation.

According to evidence presented at trial, the scheme to defraud NYPH centered on Saglimbeni, who with the assistance of Figueroa, awarded asbestos abatement, air monitoring and general construction contracts to Yaron, Buchnik and their companies in return for more

than \$2.3 million in kickbacks paid to Saglimbeni. A portion of those kickbacks were funneled by Yaron to Saglimbeni through Artech.

On July 31, 2012, Saglimbeni and Figueroa each pleaded guilty to additional mail fraud conspiracy and mail fraud violations. These charges were part of the same indictment but had been severed and were scheduled for a separate trial. According to the superseding indictment, the fraud scheme also centered on Saglimbeni, who with the assistance of Figueroa, awarded heating, ventilation and air conditioning (HVAC) contracts to an HVAC vendor in return for kickbacks in the form of cash goods and services paid to Saglimbeni and Figueroa.

On July 10, 2012, Yaron, Buchnik and the three companies were sentenced for their respective roles in the scheme. Yaron was sentenced to serve 60 months in prison and ordered to pay a \$500,000 criminal fine. Buchnik was sentenced to serve 48 months in prison and ordered to pay a \$500,000 criminal fine. Yaron's companies, Cambridge/NEA and Oxford Construction, were each sentenced to pay a \$1 million criminal fine. Artech was also sentenced to pay a \$1 million criminal fine. Including Saglimbeni and Figueroa, 15 individuals and six companies have been convicted or pleaded guilty as a result of this investigation and have been sentenced to pay a total of more than \$4 million in criminal fines and to serve more than 16 years in prison.

This antitrust investigation of bid rigging, fraud, bribery and tax-related offenses relating to the award of contracts by the facilities operations department of NYPH was conducted by the Antitrust Division's New York Field Office with the assistance of the FBI and the Internal Revenue Service - Criminal Investigation's New York Field Office. The Office of International Affairs in the Justice Department's Criminal Division also provided assistance. Anyone with information concerning bid rigging, bribery, tax offenses or fraud related at NYPH should contact the Antitrust Division's New York Field Office at 212-335-8000, visit www.justice.gov/atr/contact/newcase.htm, or call the FBI's New York Division at 212-384-1000.

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