

DISTRICT ATTORNEY – NEW YORK COUNTY

News Release
January 30, 2004

Contact: Barbara Thompson
212-335-9400

Manhattan District Attorney Robert M. Morgenthau announced today that LOUIS CARBONETTI, the former President of the Fulton Mall Improvement Association, has pleaded guilty to perjury for lying to the New York City Department of Investigation (DOI).

As a result of his felony plea, the defendant will receive a sentence of 5 years probation and will be required to pay a total \$17,500: \$7,500 in fines and \$10,000 in restitution by sentencing on March 19, 2004.

The investigation leading to CARONETTI's plea revealed that the defendant gave perjured answers to investigators from DOI on January 28, 2003. The DOI, which has oversight authority over Business Improvement Districts (BIDs), was investigating complaints about financial irregularities at the Fulton Mall Improvement Association BID. CARBONETTI was President and Executive Director of the BID from 1998 to January 2003; in addition, he had a private consulting business.

During his January, 2003 interview under oath with DOI, CARBONETTI was asked whether Techsolve, an information technology company, was a client of his consulting business. The defendant said, "No." He was then asked if Techsolve ever gave him money in any form, either cash, check or a money order. The defendant said, "None whatsoever." He was finally asked if Techsolve ever gave him any benefit of any kind and the defendant had the same answer, "None whatsoever."

In fact, CARBONETTI's answers to those three questions were false. On March 21, 2000, Techsolve became of a client of CARBONETTI's. The defendant had a written consulting agreement with the company in which he agreed to introduce potential clients to Techsolve in consideration for a monthly payment of \$5,000. CARBONETTI received two payments from Techsolve: one payment on March 21, 2000 for \$5,000 and a second payment on April 24, 2000 for \$2,500.

In August 2000, Techsolve was awarded a \$25,000 contract with the Fulton Mall Improvement Association to create and maintain the BID's website. Ultimately, CARBONETTI resigned from the BID.

The DOI investigation was conducted by Assistant Commissioner Robert Roach, Inspector General Julia Davis and Confidential Investigator Alicia George.

Assistant District Attorney Deborah Hickey, who is assigned to the Rackets Bureau, is in charge of this case. Assistant District Attorney Patrick Dugan is Chief of the Rackets Bureau.

###

DEFENDANT INFO

LOUIS CARBONETTI, 56
375 South End Avenue
New York, NY