



# Department of Investigation

## *Press Release*

**UNITED STATES ATTORNEY  
SOUTHERN DISTRICT of NEW YORK**

**FOR IMMEDIATE RELEASE**  
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**CONTACT: U.S. ATTORNEY'S OFFICE**  
MARVIN SMILON, HERBERT HADAD  
PUBLIC INFORMATION OFFICE  
(212) 637-2600  
(718) 422-2600

NANCY KESTENBAUM  
(718) 422-5428

STANLEY J. OKULA, JR.  
(914) 993-1961

**DOI**  
CAROL STRICKLAND  
(212) 825-5931

**IRS**  
DIANE BURGGRAF  
(212) 436-1032

### **FIGURE IN CITY WATER CONSERVATION PROGRAM PLEADS GUILTY TO FEDERAL CHARGES INVOLVING \$1.3 MILLION FRAUD**

JAMES B. COMEY, the United States Attorney for the Southern District of New York; ROSE GILL HEARN, the Commissioner of the New York City Department of Investigation ("DOI"); and PAUL L. MACHALEK, the Special Agent in Charge of the New York Field Office of Internal Revenue Service Criminal Investigation Division ("IRS"), announced that FRANK V. RIZZO pled guilty late yesterday in Manhattan federal court to fraud, bribery, tax evasion and money laundering charges related to his role in defrauding the New York City Department of Environmental Protection ("DEP") of more than \$1.3 million in connection with its operation of a water conservation program called the Toilet Rebate Program ("TRP").

According to the Indictment, the TRP - which the DEP ran between 1993 to 1997 -- was designed to encourage owners of buildings in New York City to install on their premises low-flush toilets, that is, toilets that use substantially less water per flush. DEP agreed to pay owners of premises rebates ranging from \$150 to \$240 per toilet for the cost of installing low-flush toilets in apartments or commercial units. Plumbers who performed toilet replacement work during the TRP were required to submit documentation to Volt Viewtech - the company hired by the City to administer the TRP - certifying how many toilets had been installed. During

## City Water Conservation Program

the course of the TRP, the DEP paid rebates totaling approximately \$300 million.

According to the Indictment, RIZZO was employed by Volt Viewtech to assist in running the TRP. RIZZO, along with other Volt Viewtech employees, including Anthony Senerchia and Raymond Richardson, accepted bribes from plumbers and other participants in the program, allegedly including Abraham Markowitz, Max Weisz, Elias Bochner, Marvin Sontag and Edward Pullini. In exchange for the bribes, it is alleged that RIZZO and other Volt Viewtech employees caused DEP to issue to themselves and others checks worth hundreds of thousands of dollars to pay for low-flush toilets that had not been installed, and which RIZZO and the others involved knew had not been installed.

RIZZO and others were arrested in June 2001 following a lengthy investigation by DOI and the IRS. In connection with that investigation, 9 other individuals were charged in connection with defrauding the TRP; 6 of the 9 have pled guilty; Markowitz, Weisz and Bochner are scheduled for trial before United States District Judge RICHARD CONWAY CASEY on October 28, 2002, in Manhattan federal court.

RIZZO, 31, lives in Jamesburg, New Jersey, according to the transcript of the proceedings of his arraignment.

RIZZO faces a maximum term of imprisonment of 5 years for conspiracy and each of two counts of tax evasion; 10 years for bribery, and 20 years for money laundering, and maximum fines of \$500,000 or twice the value of the money laundered, on the money laundering count, and fines of \$250,000 or twice the gross gain or loss resulting from the offense on each of the remaining counts, as well as restitution.

Mr. COMEY praised the efforts of the New York City Department of Investigation; the Internal Revenue Service, Criminal Investigation; and the Federal Bureau of Investigation for their assistance in the investigation and prosecution of RIZZO.

Assistant United States Attorneys NANCY KESTENBAUM and STANLEY J. OKULA, JR. are in charge of the prosecution.

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