



Department of Investigation

Press Release

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LI CONSTRUCTION EXEC JAILED 37 MONTHS FOR BILKING OTB OF OVER \$200K

EDWARD J. KURIANSKY, Commissioner of the New York City Department of Investigation (DOI), announced that JOHN M. GIL, president of a Floral Park, LI-based construction company, was sentenced today in Brooklyn Federal Court to a prison term of 37 months for defrauding the New York City Off-Track Betting Corporation (OTB) of more than \$200,000. GIL, sole shareholder of John Gil Construction, Inc., was found guilty this past February of submitting inflated estimates and inflated or fictitious invoices for steam and hot-water heating, ventilating, and air conditioning equipment at various OTB installations in all five boroughs of the City.

GIL, who was convicted, on February 5, 2001, of money laundering, conspiracy, and mail fraud after a 2-week jury trial, was sentenced today by Federal Court Judge Raymond J. Dearie to serve 37 months in prison and 3 years' supervised release. GIL was also directed to make restitution to OTB of \$110,626. In addition, a judgment of forfeiture was entered in the amount of \$102,000.

GIL had been charged in a 13-count indictment, filed on February 3, 2000, with conspiracy, mail fraud, and money laundering in violation of Title 18, United States Code, Sections 1957, 371, and 1341.

The investigation began in 1999 when authorities received an anonymous tip that GIL had submitted inflated and fictitious invoices to OTB.

The investigation disclosed that GIL, in 1996 and 1997, entered into two contracts with OTB to furnish and install steam and hot water heating, ventilating, and air conditioning equipment at various OTB locations throughout the City. The contracts permitted maximum payments to GIL's construction company of approximately \$1.1 million.

The jury found that, at GIL's direction, various subcontractors and vendors, including a Long Island City rigging company and two sheet metal fabricating companies in Long Island City and Freeport, New York, prepared inflated estimates and inflated or fictitious invoices which were then submitted by Gil to OTB for payment.

The jury also found that Gil deposited at least one OTB payment check to his company into the escrow account of his friend and attorney, Taylor Walker. Walker later used part of the proceeds of that OTB check to purchase a \$250,000 boat for Gil, a 40-foot cabin cruiser named "Diamond Girl."

LI Construction Exec Jailed 37 Months For Bilking OTB for \$200K

The jury found that the boat had been purchased with proceeds derived from criminal activity, and, as a result, the boat was forfeited to the government.

GIL, 46, resides in Floral Park, New York.

The investigation was conducted by DOI and OTB's Office of the Inspector General.

The Office of Alan Vinegrad, United States Attorney for the Eastern District of New York, prosecuted the case. Assistant United States Attorneys Ioana Petrou and Sarah J. Lum were in charge of the prosecution.