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FOR IMMEDIATE RELEASE

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PRESS RELEASE

**14 Plumbing Contractors and 2 Developers
Charged with Bribing a New York City
Department of Buildings Inspector**

ROSLYNN R. MAUSKOPF, United States Attorney for the Eastern District of New York, **ROSE GILL HEARN**, Commissioner, New York City Department of Investigation ("DOI"), **PASQUALE J. D'AMURO**, Assistant Director-in-Charge, Federal Bureau of Investigation, New York, **ELIOT SPITZER**, Attorney General of the State of New York, and **JOHN McGLYNN**, Special Agent-in-Charge, United States Department of Labor, Office of

Labor Racketeering, New York (“DOL”), today announced the unsealing of a complaint charging a total of fourteen plumbing contractors and two developers with bribing an inspector of the New York City Department of Buildings (“DOB”) and mail fraud. Although employed by the DOB, the inspector conducted inspections as an agent of the New York City Department of Environmental Protection (“DEP”). The joint investigation was conducted by DOI, FBI, the New York State Organized Crime Task Force, and DOL.

This investigation commenced in October 1999 after a DOB/DEP inspector informed DOI that he received a payoff from one of the defendants. Thereafter, the inspector agreed to actively cooperate with law enforcement agencies and began wearing a recording device. The inspector recorded numerous conversations with the defendants, who, as alleged in the complaint, paid the inspector more than 100 times to obtain expedited approvals for work or approvals without the necessary DOB/DEP inspections or permits. The amount of the bribes ranged from \$20 to \$1,400. The defendants paid a total of approximately \$34,000 in bribes to the inspector.

Five of the defendants, LOUIS GREGORIO, FRANK LIQUORI SR., MARTIN TAYLOR, PHILLIP CULOTTA, and PAUL CULOTTA formed a “club” and offered to pay the inspector \$400 monthly to obtain approvals for all the work performed by their respective companies. The club defendants even offered to pay the inspector an additional monthly sum of \$600 to encourage the inspector to deny approval of the work performed by their principal competitor, the defendant JOHN CULOTTA.

The plumbing contractors charged in the complaint were responsible for installing new sewer connections, making repairs to existing sewer systems and, on one occasion, connecting water pipes to the New York City water system. The defendant developers were in

charge of construction at locations where some of the contractors worked. The construction projects were located in each of the five boroughs, with the majority in Staten Island.

The New York City Administrative Code requires a contractor seeking to install a new sewer to file plans with the DEP and to apply for work permits from DEP, DOB and the New York City Department of Transportation. The contractor is also required to pay certain fees and obtain permits, as well as an approved copy of the DEP sewer application. The permits, as well as the approved copy of the DEP sewer application, must be presented to the DOB/DEP inspector on the date of inspection. If the work is found to be in compliance with DOB and DEP regulations, the inspector will approve the work and issue a Certificate of Inspection.

The complaint charges each defendant with bribery of an agent of DEP in violation of Title 18, United States Code, Section 666(a)(2), which carries a maximum penalty of ten years of imprisonment and a \$250,000 fine, and mail fraud in violation of Title 18, United States Code, Section 1341, which carries a maximum penalty of five years of imprisonment and a \$250,000 fine.¹

“This office will aggressively investigate and prosecute anyone who bribes a public official,” stated United States Attorney **ROSLYNN R. MAUSKOPF**. “Work permits, certificates of inspection and the New York City Department of Buildings are not for sale. Anyone who would compromise the integrity of a government agency and the safety of the public by seeking preferential treatment will be held accountable.” **Ms. MAUSKOPF** thanked Richmond County District Attorney William Murphy for his office’s assistance in the investigation.

¹ The charges contained in the complaint are merely allegations, and the defendants are presumed innocent unless and until proven guilty.

New York City Department of Investigation Commissioner **ROSE GILL**

HEARN stated, “These 16 defendants should have known better than to spend \$34,000 trying to grease the palms of a City inspector. They should have known that breaking the law has serious consequences. They should have known that the majority of City workers are honest, hard-working and care about the City. They should have known that DOI would figure out and destroy their scheme. Now they know that their scheme didn’t work and that employees like this inspector would never risk his own career or public safety for a few extra dollars in his pocket. I commend the inspector who reported the bribe to DOI .”

FBI Assistant Director-in-Charge **PASQUALE J. D’AMURO** stated, “The FBI is committed to rooting out instances of bribery and public corruption. The reason is twofold: to prevent the unjust rewarding of anti-competitive practices, and to protect the public from the substandard work that is often facilitated by the bribe schemes.”

New York State Attorney General **ELIOT SPITZER**, stated, “We will continue our battle against those who seek to circumvent the system and defraud the taxpayers. With these arrests, we are sending the message that those who seek an illegal benefit will be prosecuted to the full extent of the law.”

Special Agent-in-Charge of the New York Office of the United States Department of Labor, Office of Labor Racketeering, **JOHN McGLYNN** stated, “We continue to work closely with other law enforcement agencies to investigate and aggressively prosecute individuals who compromise the integrity of the building trades through bribery and corruption. We remain committed to ensuring a level playing field for legitimate businesses.”

The defendants' preliminary appearances are scheduled to take place this afternoon before United States Magistrate Judge Steven M. Gold at the U.S. Courthouse, 225 Cadman Plaza East, Brooklyn, New York.

The government's case is being prosecuted by Assistant United States Attorney Margo K. Brodie.

The Defendants:

LOUIS GREGORIO JR.

D.O.B.: 5/6/64

Business: Chairman of the Board, Richmond Water Main and Sewer

Address: 744 Davis Avenue, Staten Island, New York 10310

FRANK LIQUORI SR.

D.O.B.: 4/12/35

Business: President, Frank Liquori Plumbing and Heating, Inc.

Address: 240 Reid Avenue, Staten Island, New York 10305

MARTIN TAYLOR

D.O.B.: 12/6/56

Business: President, P&M Plumbing and Heating Contractors

Address: 209 Main Street, Staten Island, New York 10307

PHILLIP CULOTTA

D.O.B.: 11/15/59

Business: Vice President, Design Plumbing and Heating Services, Inc.

Address: 184 South Avenue, Staten Island, New York

PAUL CULOTTA

D.O.B.: 1/20/51

Business: President, Design Plumbing and Heating Services, Inc.

Address: 184 South Avenue, Staten Island, New York

JOHN CULOTTA

D.O.B.: 9/19/49

Business: Owner, Able Plumbing and Heating Service, Inc.

Address: 40 LaSalle Street, Staten Island, New York 10314

FRANK LIQUORI JR.

D.O.B.: 8/17/57
Business: Employee, Frank Liquori Plumbing and Heating, Inc.
Address: 240 Reid Avenue, Staten Island, New York 10305

CHARLES DeHART

D.O.B.: 12/8/36
Business: President, ABC Sewer and Water Main Inc.
Address: 1418 Forest Avenue, Staten Island, New York 10302

ROBERT BORRAZZO

D.O.B.: 12/01/67
Business: President, South Shore Sewer and Water Main
Address: 4340 Victory Boulevard, Staten Island, New York 10314

STEVEN ARANYOS

D.O.B.: 8/14/49
Business: President, No Problem Sewer and Water Mains
Address: 18 East Reading Avenue, Staten Island, New York 10308

ANDREW GRECO

D.O.B.: 8/1/60
Business: President, SRA Contracting
Address: 151 Industrial Loop Road, Staten Island, New York 10309

SALVATORE CULOTTA

D.O.B.: 1/30/63
Business: President, Culotta Contracting
Address: 111 Main Street, Staten Island, New York 10307

WOJCIECH KRZYZAK

D.O.B.: 10/25/53
Alias: "Andrew"
Business: Employee, Alex Figliolia Contracting
Address: 420 Carroll Street, Brooklyn, New York 11215

JOSEPH FERDINANDO

D.O.B.: 12/16/52
Business: President, Richmond Plumbing and Heating Company
Address: 125 Seneca Street, Staten Island, New York 10310

DOMINICK PUGLIESE

D.O.B.: 1/21/37
Business: President, Olympia Estates, Inc.
Address: 1828 Wynant Boulevard, Staten Island, New York

IZAK SPERLING

D.O.B.: 5/23/47

Business: Partner, A&S Development Corp.

Address: 16 Christopher Lane, Staten Island, New York

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