



The City of New York  
Department of Investigation

ROSE GILL HEARN  
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**DOI STATEMENT ON THE SENTENCING OF TESTWELL AND ITS FORMER OWNER  
FOR ENTERPRISE CORRUPTION AND RELATED CRIMES**

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), issued the following statement on today's sentencing of the former owner of TESTWELL Laboratories Inc. V. REDDY KANCHARLA to seven to 21 years in prison and \$225,000 in reparations. Judge Edward J. McLaughlin ordered TESTWELL to pay more than \$1.7 million in restitution. In February 2010, a Manhattan Supreme Court jury found KANCHARLA and TESTWELL guilty of Enterprise Corruption, Scheme to Defraud in the First Degree and related charges in connection with falsely filing concrete testing and inspection information with the State and City, including the New York City Department of Buildings ("DOB"). The office of New York County District Attorney Cyrus R. Vance, Jr., prosecuted the case.

DOI Commissioner Rose Gill Hearn said, "Testwell had an opportunity to set an example for integrity in the concrete testing business. Instead, its criminal conduct and that of its co-defendants exemplify the deep and enduring impact of fraud. This sentence drives home the message that intentionally tricking government agencies by filing bogus reports has grave results: The defendants face arrest, prosecution, restitution, and incarceration, and New York City taxpayers are left with the cost of ensuring that safety was not compromised. DOI was pleased to work with the New York County District Attorney's Office and our State and City partners on this important and successful prosecution to expose and stop this fraud."

DOI Commissioner Gill Hearn thanked New York County District Attorney Cyrus R. Vance, Jr., the other State and City investigative agencies, and their staffs, for their joint efforts on this investigation.

Assistant District Attorney Diana Florence of the New York County District Attorney's office prosecuted the case under the supervision of Michael Scotto, Chief of the Labor Racketeering Unit.

DOI's Office of Inspector General for DOB investigated the case.

*DOI is one of the oldest law-enforcement agencies in the country. The agency investigates and refers for prosecution City employees and contractors engaged in corrupt or fraudulent activities or unethical conduct. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City.*

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