



Department of Investigation

Press Release

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

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PRESS RELEASE
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MARY JO WHITE, the United States Attorney for the Southern District of New York, EDWARD J. KURIANSKY, 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 ("IRS"), announced today that a 21-count Indictment was unsealed charging ABRAHAM MARKOWITZ, MAX WEISZ, ELIAS BOCHNER and FRANK V. RIZZO with conspiracy, fraud, bribery, money laundering, and tax fraud related to a massive scheme to defraud the New York City Department of Environmental Protection of more than \$1.5 million in connection with its operation of a water conservation program called the Toilet Rebate Program ("TRP"). The code name of the investigation was "Operation Super Bowl."

Ms. WHITE, Mr. KURIANSKY, and Mr. MACHALEK also announced the unsealing of the guilty pleas of five defendants--ANTHONY SENERCHIA, MARVIN SONTAG, RAYMOND RICHARDSON, ERNEST MAIONE and EDWARD PULLINI--who, according to court records, have admitted involvement in various aspects of the scheme to defraud the DEP. Also announced was the arrest of PAUL SIGNORELLI, a disbarred New Jersey attorney who allegedly made false statements to federal agents in connection with their

investigation of the fraud on the TRP, and allegedly endeavored to obstruct justice by urging another individual to make false statements to the agents and to destroy documents.

According to the Indictment, the TRP--which 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 the course of the TRP, the DEP paid rebates totaling approximately \$300 million.

According to the Indictment and the guilty pleas, MARKOWITZ, WEISZ, and BOCHNER, together with Volt Viewtech employees RIZZO, SENERCHIA, and RICHARDSON, plumbers, and others, 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 the defendants knew had not been installed.

According to the Indictment, MARKOWITZ, WEISZ, and BOCHNER, submitted certain documents to Volt Viewtech on behalf of Bronx and Brooklyn-based corporations they controlled--Flush-Rite, Inc., Sunshine Global Corp., and Bayit Plumbing & Heating, Inc.--in which they allegedly falsely represented that certain toilet replacement work had been completed, whereas MARKOWITZ, WEISZ, and BOCHNER allegedly knew that the work had not been performed or completed.

According to the Indictment, the false documentation submitted to Volt Viewtech by WEISZ, BOCHNER and MARKOWITZ, allegedly included the purported forged signatures of certain building owners or managers, including the signatures of a nun who is affiliated with a nursing home/convent in Queens, and a representative of HELP for the Homeless, a Manhattan organization that, through its ownership of certain Brooklyn buildings, runs transitional housing for low income and homeless individuals. Those forged signatures were notarized by a notary who is the father-in-law of MAX WEISZ.

According to the Indictment and the guilty pleas, RIZZO and SENERCHIA, who were Volt Viewtech employees in charge of administering the TRP, knew that the paperwork submitted by WEISZ, MARKOWITZ and BOCHNER falsely represented that toilet replacement work had been performed. Nonetheless, RIZZO and SENERCHIA, together with RICHARDSON and others at Volt Viewtech, allegedly approved the paperwork and caused Flush-Rite, Sunshine Global, Bayit, and others to be paid for the toilet replacement work based on the false certifications. After RIZZO and SENERCHIA allegedly approved the paperwork, DEP issued checks to Flush-Rite, Sunshine Global, Bayit, and others, based on the false paperwork. Following DEP's issuance of the checks to those companies and others, MARKOWITZ, WEISZ and BOCHNER allegedly caused the checks to be cashed at check cashing businesses or deposited in corporate bank accounts they controlled, according to the charges.

The Indictment also charges that RIZZO and SENERCHIA, together with other Volt Viewtech employees, accepted hundreds of thousands of dollars of cash payments, goods and other financial benefits from plumbers and other participants in the TRP to (i) falsify paperwork indicating that low-flush toilets had been installed and inspections of the work had been performed, when in fact all or part of the work had not been performed; (ii) expedite paperwork for payment from DEP; and (iii) deliver the TRP rebate checks directly to the plumbing companies rather than mailing the checks to the homeowners.

Ms. WHITE, Mr. KURIANSKY and Mr. MACHALEK also announced the unsealing of a separate

Indictment against ELIAS BOCHNER, charging him with the theft of government money, fraud, making false statements and using a fictitious name in connection with his receipt of approximately \$145,000 in rental subsidies under the Section 8 housing program administered by the New York City Housing Authority.

According to the Complaint charging SIGNORELLI, federal and city agents questioned SIGNORELLI about his negotiation of fraudulently obtained TRP checks through a corporate bank account he controlled in New Jersey. According to the Complaint, SIGNORELLI allegedly lied to the agents when they asked him about the amount of the proceeds of the checks he got to keep, and why he got to keep some of the proceeds. SIGNORELLI was captured on tape allegedly admitting that he lied to the agents by telling them that he received only \$12,000, which represented accounting fees that he was owed. Also according to the Complaint, SIGNORELLI told a cooperating witness that he (SIGNORELLI) did not want the witness to tell the agents that, in fact, the cash he received represented his fee for cashing the checks. SIGNORELLI also allegedly told the witness, on tape, that they should "clean up" the witness's records.

The tax charges against BOCHNER, WEISZ and MARKOWITZ stem from their alleged failure to report the money they fraudulently obtained from the TRP. In addition, WEISZ and MARKOWITZ failed to report various other income received from their companies, Sunshine Global and Bayit.

Ms. WHITE stated: "This case demonstrates the commitment of the law enforcement community to detect and prosecute to the full extent of the law those who set out to defraud important environmental programs such as the TRP and who fail to pay taxes on their ill-gotten gains."

Mr. KURIANSKY stated: "These defendants turned the City's \$300 million toilet rebate program--meant to conserve water, cut water bills, and provide residents with cheaper, low-flush toilets--into their own 'Super Bowl' jackpot. In exchange for hundreds of thousands dollars in cash payoffs, they concocted phantom replacement projects and paperwork and conducted totally sham inspections. Fortunately, City and Federal investigators uncovered their scheme and shut it down."

Mr. MACHALEK stated: "Entitlement and subsidy frauds as in the 'Toilet Rebate Program' are of particular interest to the IRS. Besides stealing funds from a public program, the tax evasion that results from a kickback scheme creates an additional drain on the U.S. Treasury. The public should be aware that such schemes will be investigated and prosecuted."

RIZZO, 30, of Jamesburg, New Jersey, and MARKOWITZ, 44, WEISZ, 48, and BOCHNER, 46, all of Brooklyn, New York, were arraigned today before United States Magistrate Judge HENRY PITTMAN.

MARKOWITZ was named in 15 counts charging conspiracy, fraud, bribe receiving, money laundering and tax fraud. If convicted, he faces a maximum prison term of five years' imprisonment on the conspiracy and each of the wire fraud and tax fraud charges, 10 years' imprisonment on the program fraud and bribery charges, and 20 years on the money laundering charge. He also faces a maximum fine 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 the remaining counts, as well as restitution.

WEISZ was named in 14 counts charging conspiracy, fraud, bribe receiving, money laundering and tax fraud. If convicted, he faces a maximum prison term of five years' imprisonment on the conspiracy and each of the wire fraud and tax fraud charges, 10 years' imprisonment on the program fraud and bribery charges, and 20 years on the money laundering charge. He also faces a maximum fine 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

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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.

BOCHNER was named in two Indictments containing 21 counts of conspiracy, fraud, bribe receiving, money laundering, tax fraud and use of a fictitious name. If convicted, he faces a maximum prison term of five years' imprisonment on the conspiracy and each of the wire fraud, mail fraud, fictitious name, false statement, and tax fraud charges, 10 years' imprisonment on the program fraud, theft of government property, and bribery charges, and 20 years on the money laundering charge. He also faces a maximum fine 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.

RIZZO was named in 13 counts charging conspiracy, fraud, bribe receiving, money laundering and tax fraud. If convicted, he faces a maximum prison term of five years' imprisonment on the conspiracy and each of the wire fraud and tax fraud charges, 10 years' imprisonment on the program fraud and bribe receiving charges, and 20 years on the money laundering charge. He also faces a maximum fine 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.

If convicted SIGNORELLI faces a maximum sentence of five years in prison on each of the two false statement charges and 10 years in prison on the obstruction of justice charge. He also faces a maximum fine of \$250,000 per count.

Ms. White praised the efforts of the New York City Department of Investigation, the Internal Revenue Service Criminal Investigation, the Federal Bureau of Investigation, and the United States Postal Inspection Service for their assistance in the investigation, which is ongoing.

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

The Indictment and the Complaint are merely accusations, and the defendants are presumed innocent unless and until proven guilty.