



U.S. Department of Justice

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Eastern District of New York*

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FOR IMMEDIATE RELEASE

March 24, 2008

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PRESS RELEASE

**TWO OFFICIALS IN THE BRIDGES DIVISION OF NEW YORK CITY DEPARTMENT OF
TRANSPORTATION PLEAD GUILTY TO BRIBERY SCHEME**

***Defendants Rigged Settlement of Multi-Million Dollar Claim
Involving Reconstruction of Third Avenue Bridge***

BALRAM CHANDIRAMANI, also known as "Balu," the Director of Movable Bridges for the New York City Department of Transportation ("NYC/DOT"), and UDAY SHAH, an Assistant Civil Engineer for NYC/DOT, pleaded guilty this afternoon to engaging in a \$400,000 bribery scheme involving the reconstruction of the Third Avenue Bridge. Under the terms of their plea agreements, the defendants each face a maximum sentence of 10 years' imprisonment and a \$250,000 fine. The guilty plea proceedings were held before United States Magistrate Judge Cheryl L. Pollak at the U.S. Courthouse, 225 Cadman Plaza East, Brooklyn, New York.

The guilty pleas were announced by **Benton J. Campbell**, United States Attorney for the Eastern District of New York.

In 2001, the NYC/DOT contracted with a general contracting corporation ("the corporation") for the reconstruction of the Third Avenue Bridge, a movable bridge located at 129th Street and Third Avenue. Work on the bridge began in 2001 and was completed in November 2006. In March 2007, the corporation submitted a claim for \$16,500,000 to the New York City Office of the Comptroller, arising from contract disputes it had with the NYC/DOT. Although the claim was submitted to the Comptroller's Office, the parties were still authorized to negotiate a settlement, subject to the ultimate approval of the Commissioner of NYC/DOT.

In late 2006, an executive of the corporation met with SHAH and sought his help in resolving the claim favorably to the corporation. SHAH agreed to assist and promptly began to provide the executive with confidential information regarding the NYC/DOT's negotiating position. SHAH then enlisted CHANDIRAMANI's help. During a series of meetings, the executive and CHANDIRAMANI agreed that the executive would pay CHANDIRAMANI an amount equal to 10 % of any settlement amount exceeding \$2,500,000 – which CHANDIRAMANI represented was the highest amount that the corporation would likely receive

if the claim was resolved by the Comptroller. CHANDIRAMANI also promised that he could work behind the scenes and guarantee a negotiated settlement of between \$6.5 million and \$6.6 million, in exchange for a bribery payment in excess of \$400,000.

To ensure a settlement favorable to the corporation, CHANDIRAMANI gave the executive details about the City's negotiating position and coached the executive on how to handle the upcoming settlement negotiations. SHAH also gave the executive a spreadsheet he prepared at CHANDIRAMANI's direction, reflecting the City's minimum and maximum settlement amounts for each item of the claim – each of which was created by SHAH as part of the scheme.

During the course of the scheme, CHANDIRAMANI accepted two cash payoffs totaling \$60,000, and SHAH accepted a payoff of \$5,000 in cash.

Mr. **Campbell** expressed his grateful appreciation to the United States Department of Transportation, Office of Inspector General; The Port Authority of New York and New Jersey, Office of Inspector General; and the New York City Department of Investigation, the agencies that led the government's investigation.

The government's case was prosecuted by Assistant United States Attorney Sarah Coyne.

The Defendants:

Name: BALRAM R. CHANDIRAMANI

Age: 65

Name: UDAY SHAH

Age: 46